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TRANSPORTATION AND PACKAGING MANUAL FOR CONTRACT ADMINISTRATION SERVICES

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DEPARTMENT OF DEFENSE

DEFENSE LOGISTICS AGENCY

Cameron Station,
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FOREWORD

(Supplementation is permitted by primary level field activities.)

The procedures in this manual have been developed to assure effective accomplishment of transportation and packaging responsibilities in Defense Contract Administration Services (DCAS). These procedures are consistent with and implement the Federal Acquisition Regulation (FAR) and the transportation and packaging aspects of delegated program manager functions. The primary purpose of the manual is to apply sound transportation and packaging practices to DCAS-administered contracts which require such support.

Due to the number of changes, all Transportation and Packaging personnel should review this edition in its entirety. The manual will be revised periodically to reflect improved procedures and changes in policy. The Chief, Transportation and Packaging Division, Directorate of Contract Management (DLA-AT), is responsible for coordinating and publishing all changes and revisions. Personnel at all levels are encouraged to submit recommended changes for this manual, based upon operational experience, to HQ DLA, ATTN: DLA-AT, through appropriate channels.

BY ORDER OF THE DIRECTOR

JAMES J. SINISANK
Colonel, USA
Staff Director, Administration

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This DLAM supersedes DLAM 8300.3, 8 Jul 83.

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GLOSSARY OF ACRONYMS AND ABBREVIATIONS

(This glossary contains acronyms and abbreviations commonly used in Transportation and Packaging as well as those used in this manual.)

AAR	Association of American Railroads
ACA	Air Clearance Authority
ACO	Administrative Contracting Officer
ADP	Automatic Data Processing
AFLC	Air Force Logistics Command
AFSC	Air Force Systems Command
ALC	Air Logistics Center
AMC	Army Materiel Command
AOCI	Accredited Off Campus Instruction
API	Automatic Payment of Invoices
APO	Army Post Office/Air Post Office
APOE	Aerial Port of Embarkation
APTDS	Automated Prepaid Transportation Data System
AQL	Acceptable Quality Level
ASI	Amended Shipping Instruction
ATA	Air Transport Association
ATTLA	Air Transportability Test Loading Agency
AUTODIN	Automatic Digital Network
BOA	Basic Ordering Agreement
C	Comptroller
CAO	Contract Administration Office
CAR	Contract Administration Report
CAS	Contract Administration Services
CATS	Carload and Truckload Shipments
CBL	Commercial Bill of Lading
CCP	Container Consolidation Point
CDRS	Container Design Retrieval System
CEMR	Contractor Estimating Methods Review
CF	Customs Form
CFR	Code of Federal Regulations
CIF	Cost, Insurance, and Freight
CL	Carload
COF	Contract Operations File
CONEX	Container Express
CONUS	Continental United States (excludes Alaska and Hawaii)
CORTREAT	Corrosion Treatment
CPCR	Contractor Packaging Capability Review
CPSR	Contractor Procurement Systems Review
CR	Country Representative
CTO	Cognizant Transportation Office(r)
DAC	Defense Acquisition Circular
DCAA	Defense Contract Audit Agency
DCAS	Defense Contract Administration Services
DCASMA	Defense Contract Administration Services Management Area
DCASPRO	Defense Contract Administration Services Plant Representative Office
DCASR	Defense Contract Administration Services Region
DDD	Desired Delivery Date
DF	Damage Free

DFARS	Defense Federal Acquisition Regulation Supplement
DIMES	Defense Integrated Management Engineering System
DIPEC	Defense Industrial Plant Equipment Center
DISCO	Defense Industrial Security Clearance Office
DNA	Delta Nu Alpha
DoD	Department of Defense
DoDAAD	Department of Defense Activity Address Directory
DRO	Domestic Route Order
DTC	Delivery Term Code
DTMR	Defense Traffic Management Regulation
DTS	Defense Transportation System
ECP	Engineering Change Proposal
ETA	Estimated Time of Arrival
ETR	Export Traffic Release
FAC	Federal Acquisition Circular
FAK	Freight All Kinds
FAR	Federal Acquisition Regulation
FAS	Free Alongside Ship
FDT	First Destination Transportation
FF	Freight Forwarder
FGR	Foreign Government Representative
FMS	Foreign Military Sales
F.O.B.	Free on Board (Freight on Board)
FPO	Fleet Post Office
FRS	Freight Rate Specialist
FSC	Federal Supply Classification
FYTD	Fiscal Year To Date
G&A	General and Administrative
GAO	General Accounting Office
GBL	Government Bill of Lading
GFE	Government Furnished Equipment
GFM	Government Furnished Material
GFP	Government Furnished Property
GMSW&D	Guaranteed Maximum Shipping Weight and Dimensions
GOBILS	Government Bill of Lading System
GRT	Government Rate Tender
GSA	General Services Administration
GT	Guaranteed Traffic
GTR	Government Transportation Request
IATA	International Air Transport Association
ICC	Interstate Commerce Commission
IFB	Invitation for Bid
ILCO	International Logistics Control Officer
IPD	Issue Priority Designator
IPE	Industrial Plant Equipment
IPG	Issue Priority Group
IRAN	Inspect and Repair as Necessary
IRS	Internal Revenue Service
JTR	Joint Travel Regulation
LAPERS	Labor and Production Effectiveness Reporting System
LCL	Less Than Carload

LTL	Less Than Truckload
MAAPR	Materials Acceptance and Accounts Payable Report
MAC	Military Airlift Command
MAP	Military Assistance Program
MAPAD	Military Assistance Program Address Directory
MASM	Military Assistance and Sales Manual
MHE	Material Handling Equipment
MICAP	Military Capability
MILSCAP	Military Standard Contract Administration Procedure
MILSTAMP	Military Standard Transportation and Movement Procedure
MILSTEP	Military Supply and Transportation Evaluation Procedure
MILSTRAP	Military Standard Transaction Reporting and Accounting Procedure
MILSTRIP	Military Standard Requisitioning and Issue Procedure
MILVAN	Military Owned Demountable Container
MIPR	Military Interdepartmental Purchase Request
MIR	Management Information Report
MIRR	Material Inspection and Receiving Report
MISS	Management Information Sub-System
MOCAS	Mechanization of Contract Administration Services
MOM	Military Official Mail
MRC	Material Readiness Command
MRO	Material Release Order
MSC	Military Sealift Command
MSS	Minimum Size of Shipment
MTA	Military Transportation Authorization
MTMC	Military Traffic Management Command
MTMCEA	Military Traffic Management Command Eastern Area
MTMCWA	Military Traffic Management Command Western Area
NASA	National Aeronautics and Space Administration
NMFC	National Motor Freight Classification
NOA	Notice of Availability
NN	No need
NOIBN	Not Otherwise Indexed by Name
NSN	National Stock Number
OBL	Ocean Bill of Lading
OCI	Office of Corollary Interest
OHM	Office of Hazardous Materials
OJT	On-the-Job Training
OMA	Operations and Maintenance Appropriation
OPE	Other Plant Equipment
OPI	Office of Primary Interest
OPR	Office of Primary Responsibility
OS&D	Over, Short, and Damaged
PAOC	Postaward Orientation Conference
PAS	Preaward Survey
PASM	Preaward Survey Monitor
PC&H	Packing, Crating and Handling
PCO	Procuring Contracting Officer
PDD	Priority Delivery Date
PEMA	Procurement of Equipment and Missiles Account
PERS	Performance Evaluation Reporting System
PIIN	Procurement Instrument Identification Number
POE	Port of Embarkation

POL	Petroleum, Oils, and Lubricants
POV	Privately Owned Vehicles
PP&A	Prepay and Add
PPP	Preservation, Packaging, and Packing
PRO	Publication Requirement Officer
PS	Packaging Specialist
PSC	Packaging Services Contract
PSCR	Production Schedule Completion Report
PSS	Protective Security Service
PTP	Prepaid Transportation Program
QA	Quality Assurance
QAR	Quality Assurance Representative
QAS	Quality Assurance Specialist
QPL	Qualified Products List
RCS	Reports Control Symbol
RDD	Required Delivery Date
RDT&E	Research, Development, Test, and Evaluation
RESHIP	Report of Shipment
RFB	Request for Bid
RFP	Request for Proposal
RFQ	Request for Quotation
RI	Routing Identifier
RO	Route Order
ROD	Report of Discrepancy
RORO	Roll On/Roll Off
SAAC	Security Assistance Accounting Center
SDT	Second Destination Transportation
SF	Standard Form
SI	Shipping Instruction
SITREP	Situation Report
SJ	Sack Jacket
SMPT	School of Military Packaging Technology
SRO	Standing Route Order
SRR	Shipment Request Register
SSCO	Shipper Service Control Office
SSS	Signature Security Service
TACP	Technical Analysis of Cost Proposal
TCMD	Transportation Control and Movement Document
TCN	Transportation Control Number
TDR	Transportation Discrepancy Report
TDY	Temporary Duty
TEM	Transportation Engineering Management
TEMP	Transportability Engineering Management Program
TFG	Terminal Facilities Guide
TL	Truckload
TMA	Traffic Management Analyst
TMS	Traffic Management Specialist
TO	Transportation Officer/Technical Order
TOFC	Trailer on Flat Car
T&P	Transportation and Packaging
TP	Transportation Priority
TR	Transportation Request
TWX	Teletypewriter Exchange Service (Bell System)

UFC	Uniform Freight Classification
U/I	Unit of Issue
UMMIPS	Uniform Material Movement and Issue Priority System
UMR	Unsatisfactory Material Report
UPS	United Parcel Service
USC	United States Code
USPS	United States Postal Service
VAMPS	VISION AUTODIN Message Preparation System
VE	Value Engineering
VECP	Value Engineering Change Proposal
VMR	Volume Movement Report
WSP	Weapon Systems Pouch
WSPS	Weapon Systems Pouch Service
WTCA	Water Terminal Clearance Authority

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SECTION I—INTRODUCTION

1-100 PURPOSE. This manual defines goals and responsibilities for T&P. It also establishes operating rules and procedures affecting performance of technical, operational, and administrative tasks carried out by T&P in support of DCAS-administered contracts. All provisions herein have been carefully structured specifically to meet, and are in complete compliance with the objectives of the Internal Controls program.

1-101 SCOPE

A. This manual applies to all DCAS field transportation, traffic management, packaging, and customs people assigned to Contract Management.

B. The manual contains policy guidance and procedures for accomplishing the DCAS traffic management and packaging functions. It likewise describes T&P support to DCAS field activities, customers, and contractors in conjunction with the assigned mission, customer requirements, and contractual provisions. Deviations from the manual's procedural requirements are not permitted without specific written approval. Requests for deviation must be submitted to HQ DLA, ATTN: DLA-AT.

C. Consisting of four sections, this manual treats the Transportation Management Program in Section III and the Packaging Management Program in Section IV. To properly accentuate the commingled nature of DCAS T&P discipline, Section II addresses and provides operating rules and procedures for the proper administration of the two functional areas.

1-102 GENERAL. T&P elements of DCAS have the responsibility to support procurement activities and maintain close working relationships with T&P management organizations in DoD. They should also provide technical advice to Commanders and Chiefs of DCAS activities as well as other staff elements, facilitate T&P lines of communication between procurement offices and contractors, and maintain liaison with segments of industry to keep abreast of current trends and new developments.

1-103 TRANSPORTATION AND PACKAGING FUNCTIONS

A. T&P functions in the DCAS environment are those interrelated tasks which make possible the preparation of material for delivery from contractors' plants and shipment of that material to worldwide destinations designated by the Military Services and other customers. Such functions include the administration of contractual provisions related to the preservation, packaging, packing, marking, transportation planning, and movement of supplies in a timely, damage-free, economical manner consistent with customer needs. In addition, the movement of contractor personnel and GFP necessary for, or incident to, contract performance are functions assigned to DCAS T&P elements.

B. Once a material requisition has been generated, the DoD procurement process enters four distinct phases:

1. Designated Government contracting officers identify potential commercial suppliers, negotiate, and contract with the supplier(s) in consonance with Federal policy, laws, and regulations.

2. The commercial source produces specific supplies or materials in accordance with contractual terms under surveillance of DCAS functional and administrative specialists.

3. The supplies or materials are inspected and accepted as Government property in accordance with the terms of the contractual instrument, and payment is made to the commercial supplier.

4. Either prior or subsequent to phase 3 above, the contractor prepares the supplies or material for transport and moves them to a delivery point specified by the Government. DCAS T&P specialists participate in the entire cycle—serving as members of the Preaward evaluation team in phase 1, participating on the ACO management team during phases 2 and 3, and accepting primary responsibility for the effective and timely performance of phase 4.

C. Normal T&P functions of contract administration services, as listed in FAR 42.302(a) (35), (36), (37), and other 42.302 items in which T&P plays a corollary role, will be performed by the cognizant DCAS T&P office as required by contract and to the degree necessary without requests from procuring activities. This manual, DLAR 4500.3, Defense Traffic Management Regulation, and other regulatory publications referred to in these pages will govern the performance of functions. Any conflict between the foregoing regulations and requirements of this manual should be brought to the attention of HQ DLA (DLA-AT).

D. Competition Advocacy. The role of DCAS competition advocacy is to encourage full and open competition through the enforcement of contract provisions, interface with procuring activities on prime DCAS-administered contracts, and interface with prime contractors on subcontracting opportunities. DCAS T&P competition advocacy actions will focus primarily on the submission of transportation VMRs as detailed in paragraph 3-304C1a(11). In addition, TOs should provide interested carriers with traffic pattern information that may be useful to them in determining if their

services are cost competitive and which can be used in the construction of new rate structures.

1. Types of information that may be released are:

a. Annual tonnage, numbers of shipments, and costs between selected origin/destination pairs.

b. Shipments moving under Standing Route Orders or Guaranteed Traffic Agreements, including the SRO numbers.

c. Special intransit security requirements.

2. Information that may not be released:

a. Data relative to classified shipments.

b. Specific information relative to sensitive shipments.

E. DCAS T&P offices will perform those functions required by regulation and contract on a priority basis, as established by the individual offices in accordance with accepted procedures and local experience.

SECTION II—ADMINISTRATION

2-100 PURPOSE. This section provides operating rules and procedures for the administration of DCAS T&P programs. It also offers guidance to T&P personnel for developing local plans to install procedures and to accomplish the objectives of this manual.

2-101 GENERAL. To successfully manage the T&P programs (sections III and IV), we must build a positive administrative environment and periodically alter it to reflect changing circumstances. Such an environment consists of many factors. Those listed below, however, are crucial and will be treated in the following pages:

A. Personnel appointment and training.
B. Organization and policy.
C. Management planning.
D. Interface relationships and liaison.
E. Intraregional staff surveillance and support.
F. Administrative support procedures.
G. Project participation.

2-102 PERSONNEL APPOINTMENT, TRAINING, AND CAREER DEVELOPMENT

A. Appointment of Transportation Officers/Agents. The Commander of each DCAS activity responsible for issuance of GBLs or TRs will appoint TOs and Agents in accordance with DLAR 4500.3. Appointments will be made by official letters or memoranda. The CTO will nominate individuals for Transportation Agent based on demonstrated expertise in the transportation discipline. The CTO will also maintain appointing documentation in current status.

B. Training and Career Development. To function effectively, the DCAS T&P effort demands high performance from both individuals and organizations. Due to the multiplicity of assigned tasks and complex relationships with other DCAS functions, individuals should possess a proper balance of technical knowledge, administrative expertise, and practical experience. T&P people can acquire this proficiency through on-the-job training, operational experience, Government or non-Government-sponsored training courses, and participation in defense-industry meetings, seminars, and symposia in accordance with DLAR 5500.4, Policies Governing Participation of DLA and Its Personnel in Activities of Private Associations, and other applicable regulations.

1. All DCAS T&P employees will be afforded the opportunity and encouraged to receive training in their specialty, in related T&P functions, and in other contract administration areas. DLAM 1445.9, DLA Civilian Career Program for Transportation, lists schools which provide approved transportation management classes. Those same schools along with SMPT provide approved packaging classes. DoD 5010.16-C, Defense Management Education and Training Catalog, describes DoD-sponsored courses in contract management, pricing, ADP systems, personnel communication and management science, logistics policy and techniques, and other appropriate disciplines.

2. As the nature of military logistics changes, the training profile of the T&P employee must follow suit. Unlike transportation specialists in other sectors of the DoD logistics cycle, DCAS T&P employees should have a thorough grounding in the fundamentals of contract administration. TMAs and PSs in particular, need an understanding of all DCAS functions but especially for such functions as quality assurance, payment procedures, contract modification, property administration, and pricing since they are in touch consistently with both the customer and industry.

3. DLAM 1445.9, DLA Civilian Career Program for Transportation, contains career development guidance for transportation personnel. The career program has been designed to promote the progress of new and career employees in the field of transportation. It likewise provides the supervisor with a method for maintaining the work force to meet economic and technological changes in traffic programs. A similar formal career program has not yet been developed for PSs. However, each DCASR should develop a local informal program using the approach taken in DLAM 1445.9. Cross-training in related transportation and traffic management courses, such as loss and damage reporting or hazardous materials training, should be a key part of the packaging program.

4. Specific training programs and records will be maintained for each T&P career employee. Normally, attendance at courses requiring TDY should be planned on an annual basis in conjunction with workload forecasts to exploit seasonal and other variations in workload.

5. TOs should promptly report to HQ DLA (DLA-AT) any needs for specialized training in packaging not satisfied by available courses for Government or contractor personnel. As a member of the DoD Packaging Advisory Group to the SMPT, the DCAS representative is in a position to propose new courses or arrange for local onsite training by SMPT instructors when required and justified.

6. DCAS PSs should earn certification from SMPT as packaging instructors and participate in the Accredited Off-Campus Instruction (AOCI) program. Accredited DCAS packaging instructors can

then provide training to contractor personnel as necessary and authorized.

C. Qualification of Personnel Authorized to Process Hazardous Materials Shipments.

1. 49 CFR, Section 173.1b, states in part, ". . . It is the duty of each person who offers hazardous materials for transportation to instruct each of his officers, agents, and employees having any responsibility for preparing hazardous materials for shipment as to the applicable regulations. . ." DLAM 4145.3, Preparation of Hazardous Materials for Military Air Shipment, paragraph 1-20, prescribes requirements for DoD personnel authorized to certify that hazardous materials for military air shipment are in compliance with that manual. While DCAS personnel do not sign GBLs or DD Forms 1387-2, Special Handling Data/Certification, certifying compliance with 49 CFR or DLAM 4145.3 requirements, they must prepare these documents and provide guidance which will enable contractors to pack, label, placard, and ship in accordance with these requirements. It should be noted that whenever a contractor ships by GBL, he does so on behalf of the Government and, generally, in accordance with instructions provided by the contract and DCAS.

2. To assure that DCAS T&P personnel involved in the documentation of hazardous materials shipments are properly qualified to do so, performance of these tasks shall be restricted to those employees who meet the requirements of DLAM 4145.3, paragraph 1-20.

3. The following T&P personnel shall be qualified for documentation of hazardous materials shipments to prevent undue delay in processing contractor requests for support:

a. TOs.

b. TMSs (at least one in each Transportation element).

c. PSs (at least one in each packaging element).

d. FRSs (lead or senior FRS only).

4. Specific training requirements for the shipment of hazardous material are contained in DLAM 1445.9, DLA Civilian Career Program for Transportation. These requirements are applicable to both the transportation and packaging specialties.

2-103 ORGANIZATION AND POLICY

A. Organization Structure. DLAM 5810.1, Organization of DLA Field Activities, depicts the structure and functional alignment of DCAS T&P elements. Requests for changes to the authorized structure affecting an element at the branch level or above will be submitted to HQ DLA (DLA-LPO). Region Commanders will approve organizational changes below branch level.

B. Policy and Procedures. T&P publications authored by Headquarters are written in sufficient detail to provide explicit procedural guidance, yet general enough to apply to all DCAS T&P elements. At times, it may be necessary to supplement these publications because of variations in operating conditions. When permitted by the original publications, supplements will be fully coordinated with the region and one copy will be forwarded to HQ DLA, ATTN: DLA-AT. Additional local procedures should not be devised if Headquarters publications provide adequate direction. DLA-AT specialists will determine the need to add procedures to this manual based upon staff visits and other communications.

2-104 MANAGEMENT PLANNING. T&P procedures in today's environment remain reactive, i.e., actions result more from external demands than from internal control and initiative. This type of condition promotes less efficiency because of the tendency to engage in crisis management rather than preplanned effort. Planning should be accomplished to include the following five items as a minimum:

Resourcing,
Workload forecasting and distribution,
Performance reviews and evaluations,
Personnel career development,
Training and communication.

A. Each T&P element should establish an annual planning cycle resulting in a comprehensive plan for implementation at the beginning of each fiscal year. Responsibility for such planning rests primarily with the regional Chiefs of T&P and their immediate staff. DCASMA T&P officials should conduct similar but more limited exercises which can serve as building blocks for the regional design.

1. Workload forecasting is the prerequisite factor in management planning. Forecasting can evolve from a thorough familiarity with past workload, present trends using such indicators as contracts received and shipments completed, and intangible factors such as anticipated budget restrictions. Because the DCAS role is one of responding to the needs of customers, this planning phase is difficult. However, tools such as MIR, LAPERS, registers and summaries produced by GOBIL, and other available information contribute to reasonably accurate forecasts of workload trends and cyclical conditions.

2. Personnel management relates closely to workload. It is important to match manpower to workload for effective use of the former and successful accomplishment of the latter. TOs can use the DIMES for this purpose. Performance stand-

ards offer a means to allocate and schedule personnel against workload in identified work centers.

3. Paragraph 2-102 discusses career development. As an integral part of management planning, however, local and regional T&P officials should prepare a training list for each employee specifying courses required, completed, and scheduled. Refresher courses (e.g., Defense (Refresher) Packaging of Hazardous Material for Air Transportation, 8B-F35(JT), SMPT) should receive special emphasis to maintain professional skill levels. When possible, training schedules should take advantage of seasonal decrease in workload.

4. In addition to training schedules, T&P officials should prepare and update a listing of deadlines and schedules for T&P activities including:

a. Preparation and review of local operating instructions and procedures,

b. Accomplishment of special, self-initiated projects and studies,

c. Performance of Should Cost Studies and Procurement Systems Reviews,

d. Periodic review of duty assignments and workload.

B. Proper management of the DCAS T&P program depends, in large measure, upon a coordinated effort within each region. Bringing T&P personnel together in formal conference ordinarily promotes such coordination. T&P conferences will be held as required and attended by a maximum number of Transportation and/or Packaging managers and staff members at DCASMA level. The DCASR Chief, T&P, will prepare the agenda, invite speakers, and serve as chairman of the conference. A seminar or workshop should be included in the program so that procedures, new policies, and actual or potential problems in the administration of contracts may be discussed. The conference will also serve as a forum for evaluating past performance and for discussing the implementation of management plans. A representative of HQ DLA (DLA-AT) will participate in such conferences when requested and when schedules and resources permit. In addition to those major conferences described above, conferences of a more limited scope should be held at the discretion of the DCASR T&P Chief when he/she determines that major program changes, training needs, or other valid requirements can be best satisfied by that means.

2-105 INTERRELATIONSHIPS AND LIAISON. T&P personnel cannot successfully run programs in a vacuum. Success, to some extent, depends upon positive relations with groups and individuals. Opportunities for interface present themselves during staff supervision performance of T&P contract administration functions, and T&P support requested by other DCAS functional elements, as well as liaison with Government agencies, contractor organizations, and the general public.

A. DCAS performance is closely related to the "team" concept. T&P elements will develop and maintain good working team relationships with other DCAS organizational elements. The ACO is the team leader and bears overall responsibility for administration of assigned contracts. All formal, substantive communications with contractors will be routed through the ACO except those of a repetitive operational nature (e.g., transmission of GBLs and other shipping documentation).

B. As an extension of the team concept, close liaison with customer activities is important for effective management of T&P within DoD and for solid support given to other Federal agencies. Each T&P element should maintain a directory of contacts in customer activities so that potential difficulties may be resolved with knowledgeable specialists.

C. In addition to procurement activities, DCAS T&P offices, by nature of their basic mission, must actively support and work with the Military Services and certain single-manager agencies. Foremost among these is MTMC. As with other interlinking organizations, T&P should make deliberate efforts to maintain communication channels and develop close working relationships. In the event of field visits by MTMC officials, the DCASR TOs will provide regional representation during such visits to DCASMAs if they deem representation is warranted. The visited activity will forward a copy of all MTMC reports, together with its reply, to HQ DLA (DLA-AT).

D. Several industrial and professional organizations, such as DNA, American Defense Preparedness Association, Society of Packaging Handling Engineers, National Defense Transportation Association, Aerospace Industries Association, National Security Industrial Association, and American Society of Traffic and Transportation, have been founded to further the professionalism of transportation and packaging specialists and strengthen the relationship between Government and industry. Liaison with these organizations within the limitations of DLAR 5500.4, Policies Governing Participation of DLA and Its Personnel in Activities of Private Associations, and other applicable regulations, benefits individual T&P staff members as well as individual components and chapters. Local chapters of DNA, for example, sponsor programs and courses in traffic management to improve proficiency in the field. DCAS elements should participate in such programs since past involvement has proven valuable in orienting con-

tractor personnel as well as training DCAS T&P personnel. In all such relationships, T&P people should take advantage of opportunities to present information on the role of DCAS in DoD traffic management and packaging programs. Visual aids and information material are available and assistance can be obtained from HQ DLA (DLA-AT).

E. Commercial carriers form an inherent part of the transportation industry and DCAS liaison with them is both necessary and beneficial. Inasmuch as DLA is a Government agency dealing with many carriers, their representatives may obtain limited contractual and shipment information and may work with DCAS to resolve mutual problems. TOs should view these contacts as opportunities to promote healthy competition among carriers for economical and service benefits to the Government. To this end, all carrier representatives will be made aware of available GOBIL products, viz. the GBL Destination Register, the GBL Summary by Contractor/Consignor, and the carrier's own portion of the GBL Summary by Carrier, to permit them to detect freight patterns for which they can submit competitive rates. DCAS T&P employees will not reveal specific rates to competing carriers but will provide the aforementioned reports to enable each representative to estimate the company's cost/revenue potential for identifiable traffic patterns. (T&P employees shall be aware of the provisions of FAR 5.4 and other references pertaining to the handling of procurement information.) After the representative has researched the GOBIL/APTD reports, the TO should discuss the representative's findings to determine their nature and redefine any misconceptions. Uncontrolled visits from carrier representatives, particularly involving GOBIL/APTD research, may consume valuable time. It would be prudent to schedule carrier visits in such a way to achieve the benefit of a representative's visit, yet conserve time.

2-106 INTRAREGIONAL STAFF SURVEILLANCE AND SUPPORT. Productive coordination between staff and subordinate T&P elements plays a key role in effective management. This coordination may occur on a daily basis as well as through periodic staff reviews.

A. Staff surveillance can take place through normal daily business functions. Processing correspondence and discussing problem areas can contribute to an awareness at Region level of DCASMA performance. This awareness will be better defined by various review actions (e.g., GOBIL, PTP transactions, MIR and LAPER data) which provide more concrete information at the Region staff level.

B. Periodic staff reviews of subordinate T&P elements within each DCASR are essential for determining the adequacy of local programs and in measuring their success. The DCASR TO, or members of his/her staff, will perform these reviews at least every 18 months. The reviewer thereby gains the opportunity to observe both procedures and personnel, using technical knowledge in detecting trends and conditions favorable or unfavorable to program progress. Emphasis should be given to excellence in management practices which will result in effective, efficient, and timely response. During the course of these reviews, the staff specialist should interview people as well as examine documents. He/she should not limit observations to a superficial review of actions. A checklist will enable the reviewer to work efficiently. Suggested items for a checklist include:

1. Transportation operations: quantity of unreviewed contracts; condition of contract file; backlog in shipment requests; maintenance of ADP products; number of outstanding overage GBLs; validity of GBL/TCMD data; timeliness of route order requests; and application of the PTP.

2. Traffic management: use of ADP listings and summaries for analyses of shipment patterns; potential for and effort toward freight and parcel post consolidation; Procedure A promotion, surveillance, and control; GBL/CBL analysis; and review of MTMC route orders.

3. Packaging: techniques and tools used in pricing cases; completeness of DD Form 2025, Packaging Change Recommendation/Approval, and DLA Form 1095, Contractor Packaging Capability Review; quantity of unreviewed contracts on hand; and participation in the TDR program.

4. Joint functions: frequency and quality of participation in PAS program, PAOCs, TACPs, price/cost cases, CPSRs, and CEMRs; timeliness of response to these programs.

5. Value of items recovered through Astray Freight Program procedures. Copies of required backup are:

a. The DCAS-originated letter to the carrier directing shipment of astray freight to the proper destination. This letter should be annotated to show the NSN, quantity and catalog unit price of the items(s) recovered.

b. The astray freight waybill issued by the carrier to cover the movement of the items recovered.

C. The reviewer will discuss findings and recommendations with the local commander. The results of the review will be evaluated for application to other T&P elements within the region.

D. The staff review offers a good opportunity to determine career development needs of the local people. Management plans, as discussed in paragraph 2-202B3, will be adjusted as needed.

E. Regional staff T&P specialists will provide technical supervision to their respective subordinate T&P elements. When problems encountered range beyond their technical knowledge and expertise, specialists in subordinate T&P elements will elevate the problems to the DCASR T&P staff.

2-107 **ADMINISTRATIVE SUPPORT PROCEDURES.** In addition to the management and administrative policies discussed above, T&P personnel participate in certain Federal programs and policies by the very nature of their employment. The following programs specifically rate T&P involvement:

A. Environmental Protection. The primary responsibility for assuring compliance with Federal environmental control laws and regulations rests with those agencies, such as the Environmental Protection Agency, charged with a specific obligation under the laws concerned. However, it is the responsibility of all DoD personnel while performing their regular duties to report observed violations to the PCO through the ACO (when assigned). It is not intended that personnel should become technical experts in pollution control or that they should devote time exclusively to the detection of possible violations of law. Any potential violations reported should be incidental to performance of assigned duties.

B. Physical Safety. In the course of plant visits and facility reviews, T&P employees will:

1. Observe accepted safety practices related to the manufacture of hazardous or dangerous materials.

2. Comply with the contractor's safety rules while on the contractor's property.

3. Advise the responsible CAO Specialized Safety Office of any unsafe conditions or practices in evidence at contractor facilities.

C. Cost Benefit Program. Keeping costs to a minimum and saving money for the Government are important adjuncts to transportation and packaging responsibilities. The Cost Benefit Program is composed of three separate reporting categories: cost savings, cost avoidances, and recommended cost avoidances. Sufficient backup must be retained in a form that will provide a clear audit trail to support amounts reported. To facilitate this, each T&P location shall establish cost savings and avoidance registers that will reflect each item reported and show the file reference for the required backup data. Files dedicated solely to cost savings and avoidances are not required to be maintained.

1. Cost Savings. This is the dollar amount of incurred (obligated) costs which the contractor withdrew or adjusted downward as a result of T&P actions:

a. For transportation, this definition is expanded to include refunds to the Government from contractors or carriers and the catalog dollar value of material returned to the DoD supply system through Astray Freight Program procedures. The following items qualify as cost savings:

(1) Changes in contract terms (e.g., F.O.B. terms, delivery schedules, mandated transport modes, and so forth) which decrease transportation costs for the Government. Copies of required backup are:

(a) The DCAS-initiated DD Form 1716, Contract Data Package Recommendation/Deficiency Report.

(b) The resultant contract modification.

(c) The cost analysis, if not included in the DD Form 1716 or modification.

(2) Recovery of transportation costs from contractors for failure to comply with shipping or consignment instructions. Copies of required backup are:

(a) The DCAS-originated demand letter.

(b) The contractor's check or credit voucher.

(3) Recovery of overcharges from carriers on shipments under PTP procedures. Copies of required backup are:

(a) The DCAS-initiated overcharge claim.

(b) The carrier's check.

(4) Deductions from contractor payments for noncompliance with transportation clauses (e.g., GMSW&D, MSS or CATS). Copies of required backup are:

(a) The Transportation Officer's Approval Alert (BGBA-26 or UNMC-430A report).

(b) The Transportation response to the Finance office requiring deduction from the contractor's invoice.

(c) The analysis upon which the Transportation response was based.

(5) Value of items recovered through Astray Freight Program procedures. Copies of required backup are:

(a) The DCAS-originated letter to the carrier directing shipment of astray freight to the proper destination. This letter should be annotated to show the NSN, quantity and catalog unit price of the items(s) recovered.

(b) The astray freight waybill issued by the carrier to cover the movement of the items recovered.

b. For Packaging, actions must result in a contract change to qualify as cost savings. However, the amount of savings can exceed the dollar value of the contract price reduction when the

packaging change produces a reduction in transportation costs.

(1) The following areas have significant potential for cost savings:

(a) Substituting standard packaging methods and materials.

(b) Utilizing existing container designs. The PS should query the CDRS for potential applications of existing container designs and surplus inventories that may be adaptable to new requirements.

(c) Use of equivalent industrial packaging materials and methods.

(d) Reuse of materials and containers such as "Fast Packs."

(e) Reductions in tare weight or cube that result in lower transportation costs.

(2) Required backup must include copies of:

(a) The DCAS-initiated DD Form 2025.

(b) The resultant contract modification.

(c) The cost analysis identifying the amount of savings in transportation cost.

2. Cost Avoidance. This is the dollar amount of eliminated or decreased planned/proposed expenditures resulting from T&P actions. Cost avoidance actions fall between the time funds are committed and later obligated.

a. For transportation, this definition is expanded to include actions that reduce DLA administrative expense and DoD transportation costs that are not reflected in contract costs. The following items qualify as cost avoidances:

(1) Changes to rates and/or routings furnished by MTMC that result in reduced transportation costs. Copies of required backup are:

(a) The original MTMC route orders.

(b) The DCAS request for route order change.

(c) The revised MTMC route order.

(d) Computations used in determining the amount of costs avoided.

(2) DCAS-originated VMRs that resulted in rate reductions. Copies of required backup are:

(a) The VMR.

(b) The MTMC response that shows the anticipated decrease in cost.

(c) A summary of the number of shipments, shipping weight and cost extensions for those shipments that actually moved during the reporting period. GOBIL records provide adequate detail to support this summary.

(3) Source loading of seavans for export cargo. Required for backup is a copy of analysis reflecting POE stuffing costs avoided. This analysis is constructed by multiplying the total number of measurement tons shipped by the POE stuffing rate shown in the current MSC container agreement. This result is then adjusted to reflect any increase or decrease CONUS and ocean line haul costs.

(4) Use of less costly shipment modes. This generally occurs when the transportation priority or other stipulations in contracts or shipping instructions require the use of premium cost modes or specialized, extra cost services and the need for these modes or services is successfully challenged by the TMS/FRS. Backup should consist of the cost analysis on which the successful challenge was based, annotated to reflect the authorization for deviating from the original requirements.

(5) DCAS administrative costs avoided through preparation of GBLs by Procedure A contractors. Backup should consist of a statement showing the numbers of A, C, and D GBLS processed during the reporting period, multiplied by the published dollar avoidance value.

(6) DCAS administrative costs avoided through the use of CBL in lieu of GBL under the PTP program. Backup should consist of a statement showing the number of CBL shipments forwarded under formal PTP agreements multiplied by the published dollar avoidance value.

(7) Consolidation of shipments, except those in conjunction with MSS and CATS requirements. Backup should consist of an evaluation of each consolidated shipment detailing the total cost if shipped separately, including published GBL administrative costs, less the actual shipment costs.

(8) Use of contractor-owned equipment. This occurs when a contractor is permitted to combine F.O.B. origin with F.O.B. destination shipments to achieve a lower rate. Backup should consist of a statement showing the constructive cost for F.O.B. origin shipment by GBL, less the amount billed by the contractor, and a copy of the TO's authorization for the contractor to provide this service.

b. Packaging cost avoidances will be generated by the same sources as are used in developing a cost savings, but the actions occur prior to the formal obligation of funds. Backup should include appropriate closeout/formalization documents, which will satisfactorily demonstrate DCAS initiation and acceptance by the contractor and/or the contracting officer.

3. Recommend cost avoidance. This is the dollar amount recommended for elimination or reduction in planned or proposed expenditures on which ACO/PCO action has not yet occurred. Backup should include copies of documentation which initiated actions that may result in cost savings or avoidances (e.g., DD Form 1716, or 2025,

TACP reports, VMR replies from MTMC, and so forth). Examples of actions in this category are:

a. Recommendations for contract changes.

b. TACP evaluations.

c. VMRs which resulted in rate reduction but against which shipments have not yet been made.

d. Overcharge claims or cost recovery actions on which collection action has not yet been finalized.

4. Cost Benefit Reporting. The MIR constitutes the channel for routine reporting of cost savings and avoidances to HQ DLA. The three Cost Benefit categories, i.e., cost savings, cost avoidances, and recommended cost avoidances, may not be added together for reporting purposes since the same benefit may be reflected in more than one category; e.g., a recommended cost avoidance that is subsequently realized as a cost savings. Additionally, in the interest of cross fertilization, each DCASR T&P office will forward to HQ DLA, ATTN: DLA-AT, a copy of technical evaluations for which cost savings/avoidances have been identified when such may be of significant interest or application to other DCAS T&P elements. The technical evaluations will include sufficient detailed information to enable other T&P elements to understand the specific application. A copy of DD Form 2025 or other supporting documents will be attached when applicable. This reporting requirement is exempt from RCS control in accordance with paragraph ID3, DLAR 5000.12, Management and Control of DLA Information Requirements.

D. Security of Accountable Documents/Penalty Mail Stamps. The security of accountable documents and Penalty Mail Stamps (PMS) is essential. With respect to the TO, or an authorized representative, responsibility for protecting these items varies according to retention status:

1. Bulk storage outside the DCASMA transportation office. At the time of withdrawal of accountable documents or PMS, the TO will ensure that a clear record will be made as follows:

a. For GBLs, record the GBL number(s), date of receipt, and signature of the person making the withdrawal.

b. For GTRs, record the GTR number(s), date of receipt, and signature of the person making the withdrawal.

c. For PMS, record the number of stamps by denomination, total value of all stamps, and signature of the person withdrawing the stamps.

2. Storage within the DCASMA transportation office. Accountable documents/PMS must be kept in a locked file cabinet, safe, or other secure container. Reasonable safeguards should be established to prevent loss or misuse. At a minimum, these procedures will be followed:

a. GBLs. A record of blank GBLs held within the transportation office will be confined to entry in the GOBIL. Twice each year, during the months of January and June, the TO will reconcile unused GBLs physically on hand with GBL numbers in received status listed by GOBIL. GOBIL report (UNMG 140A) will be used for this purpose. The TO will investigate missing GBLs for which no accountability exists. Based on findings, the GOBIL report will be corrected and, if appropriate, notification will be made to appropriate disbursing offices in compliance with DLAR 4500.3, or to the DCASR Command Security Officer. A record noting results of the audit and actions taken will be maintained until the next audit.

b. GTRs. A register of blank GTRs will be maintained. As GTRs are used, the register will be annotated with the date used and a reference which will provide an audit trail to an authorizing document. Loss of GTRs will be reported in compliance with DLAR 4500.3 and to the DCASR Command Security Officer, if appropriate.

c. PMS. Upon use, the number and value of the stamp(s) will be annotated on the Shipment Request Register. Loss or theft will be reported to the DCASR Command Security Officer.

E. Reimbursable Support. When T&P provides support to other agencies or for FMS requirements, such support should be reported in accordance with the DCASR reimbursable reporting procedures.

2-108 PROJECT PARTICIPATION

A. To attain the proper degree of operational involvement, HQ DLA and field personnel may collaborate to develop and accomplish major projects and study programs approved by DLA-AT. Teams under the chairmanship of DLA-AT will consist of specialists chosen for their experience and expertise in the subject area.

B. In the development and maintenance of regulations and specifications, draft documents will be distributed, when necessary, among field T&P offices to obtain operational input during coordination phases. Prompt and thorough response to these coordination efforts will contribute significantly to more effective program guidance.

2-109 STANDARDS OF CONDUCT

A. The conduct of DLA employees, as employees and representatives of the Federal Government, is subject to more restrictions and higher standards than is private employment. All T&P personnel shall fully comply with the provisions of DLAR 5500.1, Standards of Conduct. T&P personnel shall

not accept, nor allow their spouse or any member of their household to accept, any gift, personal loan, discount, meal, beverage, ticket for entertainment event, or any other gratuity or favor from a contractor, prospective contractor, their officials or employees (except in very limited exceptions as detailed in DLAR 5500.1). T&P personnel shall not, nor shall their spouse or any member of their household, engage in any personal business activity or receive or retain any direct or indirect financial interest (including but not limited to stock or employment) which places them in a position of conflict or apparent conflict of interest between their private interests and the public interests of the United States, related to their duties or responsibilities as Federal Government employees.

B. DLA employees who have frequent contact with contractors or prospective contractors play an important role in the prevention, detection, and reporting of suspected fraud or anticompetitive practices. Careful attention to this responsibility will not only help minimize the opportunities for fraud, waste, and abuse, but they also help the prosecution of incidents when they occur. Whenever T&P personnel become aware of or suspect possible fraudulent or anticompetitive activities, they should immediately report the matter to the DCAS Region Counsel, regardless of whether the possible violations are within areas under their cognizance. Examples of fraudulent activities are alteration or forging of shipping documents, substitution of nonconforming materials, and similar actions; examples of anticompetitive activities are collusive bidding, bidrigging, kickbacks, and so forth.

C. Actual or suspected violations in connection with access to or possible compromise of classified information or material shall be reported promptly through the DCAS Region Counsel to the cognizant DIS Office of Industrial Security.

SECTION III—TRANSPORTATION AND TRAFFIC MANAGEMENT PROGRAM

PART 1—CONCEPT OF OPERATIONS

3-100 PURPOSE. The purpose of this section is to define the objectives and programs of the DCAS Transportation Management Program and to provide operating rules and procedures for performance of those transportation and traffic management functions assigned to the T&P element as stated in FAR 42.302, DLAR 4500.3, DLAM 5810.1, and as detailed in paragraphs 3-303 and 3-304 of this manual.

3-101 GENERAL. DCAS transportation functions are performed during both the preaward and postaward phases of contract accomplishment, and are of either an operational or analytical nature. The depth of performance of these functions varies depending on contract requirements, type of contract, complexity of transportation provisions, and the experience and competence demonstrated by the contractor.

A. Transportation and traffic management are important factors in the contract administration mission and, as such, influence the effectiveness of the DoD procurement and logistics system. Consequently, it is incumbent upon Transportation and Traffic Management specialists to utilize all their expertise and all the tools at their disposal to fulfill the requirements of their positions. Without the proper application of available tools by all DCAS Transportation personnel, dysfunction will occur in terms of nondelivery, late delivery, or the delivery of damaged and incomplete shipments of material into the supply line.

B. To accomplish the transportation mission the objectives identified in part 2 of this section must be met. The guidance and procedures included in part 3 of this section are intended to augment the basic transportation regulations and instructions contained in the FAR, DLAR 4500.3, and other regulatory documentation identified in this section.

PART 2—OBJECTIVES

3-200 PURPOSE. The purpose of this part is to identify and define the program objectives of the DCAS Transportation and Traffic Management program and to identify the means for their attainment.

3-201 GENERAL

A. The preeminent and substantive objective of the DCAS Transportation and Traffic Management program is the fulfillment by both contractor and Government personnel of all contractual clauses and conditions pertinent to transportation and traffic management.

B. A series of procedural objectives has been established to attain and to further delineate the substantive objective cited above. These objectives are:

1. The timely delivery of material in a useable condition to the designated customer in the most economical manner commensurate with stated or known requirements.

2. The safe and timely movement of personnel to their intended destination in conformance with established policy.

3. The fair and equitable distribution of freight among authorized commercial carriers.

4. The full implementation of special safeguards for the handling and transportation of classified, protected, and hazardous material, and oversized loads.

5. The compliance by contractor, carrier, and Government with all applicable freight and passenger tariffs and regulations.

6. The expeditious processing of customs clearance documentation for importation of DoD material.

3-202 PROCEDURES. In addition to those substantive and procedural objectives discussed above, the following subsidiary objectives and responsibilities are also ingredients of the DCAS Transportation and Traffic Management programs.

A. Shipment of Classified/Sensitive Material. Contractors transmit classified material in accordance with the provisions of DoD 5220.22-M, Industrial Security Manual for Safeguarding Classified Information. In those cases where classified material is shipped by commercial carrier, DCAS Transportation elements will be governed by the provisions of DoD 5220.22-R, Industrial Security Regulation, DLAR:4500.3, and special instructions referenced in contractual instruments. Shipments of sensitive material will be governed by DLAR 4500.3.

B. Shipment Consolidation. Freight shipment consolidation offers a substantial cost saving advantage not otherwise available when each of several small, compatible shipments are shipped separately. To maximize this advantage the TO will develop, implement, maintain and monitor a comprehensive freight consolidation program. See paragraph 3-311C3 for additional consolidation guidance.

C. Shipments via LOGAIR/QUICKTRANS Airlift. TOs and their agents will offer and process domestic air shipments via LOGAIR/QUICKTRANS in accordance with DoD Regulation 4500.32-R, Military Standard Transportation and

Movement Procedures (MILSTAMP), to assure that valid consideration is given to employing appropriate military airlift when making mode determinations. Normally, special mission airlift, including extra section LOGAIR, will be employed only in coordination with the cognizant procuring activity. DCAS field Transportation elements will closely monitor arrangements for shipments via military airlift to assure timely delivery of shipments to air terminals together with the documentation specified by the Military Department providing the airlift.

D. Transportability Program. Transportation personnel will be alert to deficiencies in the transportability of procured material regardless of shipment mode; i.e., towing, self propulsion, or carried freight. When deficiencies are identified, the PCO will be notified through appropriate channels together with suggested means of correction. In addition, when required by contractual provision, or upon request by the PCO, the Transportation element will coordinate arrangements for test loading and test shipments including clearance permits and perform as the Military Service representative during the conduct of these and other such tests of transportability. (See DLAR 4500.3.)

E. Rate Tender/Routing Guide Maintenance Program. TOs and their agents will maintain a file of less load GRTs applicable to the local area of jurisdiction. Tenders published by agencies or bureaus may be obtained directly from the publishing agencies. Individual carrier tenders approved by MTMC, will be obtained from the applicable carrier. Region TOs are responsible for development and maintenance of routing guides which delineate quality and economical LTL service for their respective areas.

F. Loss and Damage Prevention Program. Within the DCAS T&P element, the receipt and control of TDRs is a responsibility of the Packaging/Materials Handling element. (See paragraph 4-310 C 2.) As a matter of corollary involvement, however, those reports pertinent to carrier liability (other than loading, blocking, and bracing) and traffic management deficiencies will be provided to Transportation elements for information, analysis, corrective action, and the development of replies, as necessary. Transportation personnel will initiate internal action and provide guidance to contractors and carriers, as appropriate, to preclude recurring deficiencies. Replies will be forwarded through the PS to assure receipt by the reporting activity within the time frames specified in DLAR 4500.15, Reporting of Transportation Discrepancies in Shipments.

G. Astray Freight Program. TOs will participate (resources permitting) in MTMC-sponsored Astray Freight Committees which are responsible for compliance with the MTMR.

3-203 FUNCTIONAL IMPLEMENTATION

A. To assure that substantive and procedural objectives are attained and that the program objectives above are successfully accomplished, specific functions and operational procedures have been developed. These functions and procedures, as referenced below, are delineated in the succeeding parts of this section:

1. Preaward Survey Program Support.
2. Contracts Receipt and File Maintenance
3. Contract Review and Postaward Orientation.
4. Contractor Traffic Management Delegation Program.
5. Prepaid Transportation Program.
6. Contractor Surveillance and Review.
7. Preparation of Government Property for Movement (Plant Clearance and Facilities Movement).
8. Transportation Cost Evaluation.
9. Government Bill of Lading Analysis.
10. Traffic Operations and Documentation Processing.
11. Shipments via USPS and UPS.
12. Foreign Military Sales Shipments Support.
13. Passenger Travel.
14. Customs Clearance.
15. Taxes—Proof of Export.

B. The performance of the above functions to the degree required by contract and in the manner prescribed in this manual will assure that delivery of contractor-produced material is proper in terms of timeliness, safety, and routing, and will ensure achievement of DCA transportation objectives.

PART 3—PROGRAM FUNCTIONS AND SUPPORT

3-300 PURPOSE. The purpose of this part is to define in specific terms the program functions to be performed by DCAS transportation personnel.

3-301 GENERAL. The 15 fundamental operational functions to be performed by DCAS transportation elements are treated separately in this part for purposes of comprehensive guidance and direction. All, however, are interrelated. The order in which the functions are treated should not be interpreted as indicative of the relative importance, significance, or priority of each function. Function priorities will vary based upon the contractual terms and other factors delineating the nature and extent of DCAS Transportation support required in each individual instance, as determined by local transportation management.

3-302 PREAWARD SURVEY PROGRAM SUPPORT

A. Purpose. This part establishes procedures governing the evaluation of prospective contractor transportation capability and facility reviews when required in support of the PAS Program under the provisions of DLAM 8300.1, Production Manual for Contract Administration Services.

B. General. The PAS Program is a major management effort by which DCAS ascertains, on behalf of a procurement office and prior to contract award, a prospective contractor's ability to perform in acccordance with proposed contractual requirements and specifications. Since delivery of material to the customer in a timely and usable fashion constitutes the essential goal of the procurement system, the contractor's inability to effectively accomplish movement of material may delay delivery or even result in nondelivery, thus negating the entire contract administration effort. The DCAS Transportation element is, by virture of its expertise, well qualified to evaluate transportation capabilities and is responsible for participating as required in the PAS Program. General purpose surveys forwarded by the preaward survey monitor will be performed in a manner similar to the preaward survey request.

C. Procedures

1. Notification by the PASM. The PASM is responsible for advising the T&P element of those PAS requests requiring transportation support and participation in the performance of the survey. While notification may be oral or written, access by the transportation element to the IFB or RFP and its supporting technical package must be assured. Upon receipt of such notification, the survey request identification number and other appropriate information will be entered into a Transportation Preaward Survey Log.

2. Preliminary Analysis. Following notification, a designated TMS will review the specifications, terms, and conditions of the proposed contract to determine the degree of participation necessary by the Transportation element. This initial review will include, but is not limited to, consideration of the following:

a. All factors listed in subparagraph 4b below.

b. The prospective contractor's performance history under previous contracts.

3. Determination of Degree of Involvement. The preliminary analysis may suffice for the analyst to correctly determine the mode and degree of transportation participation. The decision, however, to participate in the survey by means of either an onsite visit or desk audit will be based upon a review of the following criteria:

a. Performance of an onsite review generally is indicated when:

(1) Block 20, section B or C of SF Form 1403, Preaward survey of Prospective Contractor (General), has been checked by the Procurement Officer.

(2) The contractor's past performance has been less than satisfactory.

(3) The prospective contractor has had no previous experience in military traffic management procedures.

(4) Transportation functions involve movement of sensitive, classified, hazardous, oversized, or overweight cargo.

(5) When, in the opinion of the TO, an onsite visit is necessary to update the DLA Form 358, Contractor's Transportation Facilities Data.

b. Desk audits will be performed in lieu of onsite reviews when the factors cited above do not apply.

4. Performance of Onsite Reviews. When performance of an onsite review is deemed an appropriate response, the assigned TMA will make every effort to participate as a member of the PAS team and to schedule his/her facility visit to coincide with that of the team. When this is not possible for scheduling or other reasons, the TMA will so advise the PASM, and make visit arrangements with the prospective contractor. In conducting the transportation survey of the prospective contractor's facilities and capabilities, the TMA will:

a. Become thoroughly familiar with all factors, terms and conditions bearing on transportation or facility requirements prior to the actual plant visit. (Where requirements appear incomplete, inappropriate or erroneous, the TMA will subsequently so notify the PAS Team Leader or PASM for incorporation in the DCAS response to the PAS request, in accordance with subparagraph d below.)

b. Thoroughly discuss with key contractor personnel pertinent contractual requirements, transportation documentation procedures and forms, export documentation and routing procedures, and all other transportation factors appropriate to the proposed contract.

c. Determine the necessity or desirability of a Postaward conference.

d. Prepare, with the appropriate PS, a joint response (DLA Form 1258, Transportation/Packaging Pre-Award Survey, and DLA Form 358) to the PAS Team Leader or PASM, along with the findings and recommendations, to permit execution of the applicable portion of the SF 1403. Such findings will include adequate narrative "Remarks," as well as checklist completion, to substantiate contractor's capability or inability to perform and

to identify specific requirements or terms in the proposed contract which appear incomplete, inappropriate, or erroneous. A copy of the report will be maintained in the Transportation element.

5. Performance of Desk Audit. When it is determined that direct transportation participation in an onsite review is not necessary, the TMA will perform a desk audit of the prospective contractor's capabilities (based upon DLA Form 358 and other capability data) and the correctness and completeness of transportation requirements and terms as contained in the IFB/RFP. The PAS Team Leader or PASM will be notified of the desk audit and furnished an outline of transportation factors and terms to be utilized by other members of the PAS team in discussions with the prospective contractor. Such surrogate instructions should be limited, however, in number and scope since extensive instructions indicate the need for onsite surveillance.

3-303 CONTRACTS RECEIPT AND FILE MAINTENANCE

A. Purpose. This part addresses procedures encompassing the receipt, control, handling and file maintenance of all contracts and contractual documents flowing into the T&P office. The substantive review of such documents is addressed in paragraphs 3-305 and 4-304 below.

B. General. The contract is the prime tool used by T&P specialists. The volume of contractual documents and their incidence of use demand a methodical standardized approach to their processing. T&P must have at its disposal a contract file system characterized by ready access and ease of retrieval. In some cases, it may not be necessary to develop the complete processing system discussed below. For various reasons T&P may be able to use files maintained by other functional elements. HQ DLA, ATTN: DLA-AT, will authorize deviations upon request when warranted.

C. Procedures

1. Initial Processing. The Contract File Operations element, as the initial point of receipt for incoming contractual documents, will sort and mark contractual documents in response to region guidance or local needs. Consideration should be given to sorting Delivery Orders against BOAs applicable to procedure A contractors. These Delivery orders can be bulk filed during post-review processing. It may also be advantageous to sort out and eliminate contract modifications which do not need to be retained. Traffic management and packaging personnel can offer guidance as to which modifications can be removed. The Operations element will pass contracts and appropriate modifications to the Traffic Management or Packaging element. Following their review, those documents designated for retention will return to Operations for filing.

2. Post-review Processing. Upon receipt of the reviewed documents, the Operations element will undertake final processing prior to entering the documents into the T&P file.

a. A clerk will prepare a labeled folder for each contract. Labels will show the contractor's name and PIIN. QA and Transportation Only contracts will also reflect the estimated completion date. Labels of varying colors or formats may be utilized to discriminate between calendar years or spell the difference between QA/Transportation Only contracts and all other contracts. By way of exception the DCASR TO may authorize the DCASMA to bulk file contracts, providing that DCASMA procedures permit prompt retrieval and efficient purging.

b. Contracts will be filed by contractor and, within that category, by contract number. Bulk files will follow the same sequence.

c. When retained, modifications, SIs, ASIs, and other documents will go to the contract folder. If there is none, a folder will be prepared.

3. File Maintenance. Since an organized contract file is a basic tool for the performance of T&P functions, every effort should be made toward maintaining an up-to-date file on a daily basis. A normal charge-out system may be useful with regard to personnel other than T&P staff members.

4. File Purge. Elimination of completed contracts from T&P files will contribute markedly to operational efficiency. Except for QA Only/Transportation Only contracts, purging the contract file will be done in one of two ways: reviewing the PSCR quarterly to remove completed contracts or query the MOCAS host data base by PIIN on a periodic basis to acoomplish the same result. Purging of QA Only/Transportation Only contracts is dependent upon a manual review of labeled files and the contract completion date indicated thereon. Such contracts should be removed within 90 days after the estimated completion date. Purged contracts will be destroyed, while significant record-type correspondence will be forwarded to the Contract Administration element for incorporation in the master file.

3-304 CONTRACT REVIEW AND POSTAWARD ORIENTATION

A. Purpose. This part sets forth procedures for review and analysis of incoming contractual documents. It also establishes guidance by which Transportation people may participate in PAOCs. The term "contractual documents" includes prime and support contracts, purchase and delivery

orders, modifications, SIs, ASIs, Basic Ordering Agreements, supplemental agreements, change orders, and Letters of Intent/Agreement. Transportation review is one of two reviews of contracts performed by T&P. (See paragraph 4-304.)

B. General. The importance of contract review is sometimes underestimated. Superior traffic management depends to a great extent on thorough analysis and knowledge of contractual terms. This is not to say that all contracts must be thoroughly examined. The key lies in applying available time and skill to those contracts which need closer technical surveillance or provide a larger comparative payoff downstream. Contract review serves three major ends: it determines the adequacy, accuracy, and propriety of transportation terms; it offers a common mechanism for estimating future workload and trends in transportation; and it enables people to do a better job in performing tasks later in the transportation cycle.

C. Contract Review Procedures

1. In the interest of management efficiency, contracts should be reviewed as soon as possible after receipt but, at the maximum, within 3 workdays. Review should take one of two forms—cursory or in-depth. The TMA, basis of guidelines presented below, will decide the necessity to proceed beyond a cursory review to more closely scrutinize transportation terms. In either case, the reviewer will look for adequacy of transportation requirements and conditions. Items listed under subparagraph a below deserve attention during a cursory review; factors cited under subparagraph b apply to the more intensive in-depth review. Both lists are advisory and should be viewed as such. The given mix of factors to be evaluated for individual contracts will vary and the reviewer must apply experienced judgement in selecting meaningful data:

a. Factors associated with cursory review:

(1) F.O.B. terms.

(2) Item weight, size, physical characteristics, value, and security requirements. If a single item in the shipment has a valuation significantly in excess of that which produces the lowest rate, the TMA will comply with DLAR 4500.3 (DTMR).

(3) Delivery schedule including quantity of shipments and accelerated schedule.

(4) Shipping priority and RDD assignments.

(5) Freight classification/description.

(6) Import/export shipment documentation. A letter discussing the requirement to submit DD Form 1659, Application for U.S. Government Bill(s) of Lading/Domestic Route Order/Export Traffic Release, for export clearance will be forwarded to the contractor for each F.O.B. destination export contract.

(7) Decoding of MILSTRIP data applicable to domestic, export, Grant Aid, and FMS shipments. If requisition numbers are not available for MILSTRIP items, the TMA should secure them if at all possible from the PCO or Item Manager. Use of a DCASMA-constructed TCN in these instances should be made only as a last resort.

(8) Destination data, consignment information, and special shipment instructions.

(9) Eligibility for freight consolidation.

(10) Transportation funding citations.

(11) Volume movement reports/SROs. For those contracts with potential for a VMR, the TMA must contact the procurement activity immediatedly to determine if a VMR has been submitted to MTMC in accordance with FAR 42.1402. If the procurement activity has failed to submit the VMR, the TMA will set up a suspense date for submitting the VMR 60 days prior to the date the contract items will be availablefor shipment.

(12) REPSHIP requirements.

(13) Small package shipments (USPS, UPS, others.)

(14) Use of prepaid shipping documentation.

(15) Preference for Privately Owned U. S. Flag Vessels. (FAR 52.247-64 Alternate 1). Contracts over $25,000 containing the above clause will be identified and processed as follows:

(a) Transportation will prepare an advisory letter to the contractor, for ACO signature. It will highlight the contractor's obligations under the clause. It will also encourage the contractor to include the appropriate contract number and contract line item number(s) (CLIN(s)) on the ocean bill(s) of lading (OBL(s)) to facilitate review and prompt processing for payment.

(b) Contractor OBLs submitted in compliance with the FAR provisions and advisory letter stated above will be thoroughly evaluated to assist the ACO in reaching a compliance determination. The evaluation will consist of assuring each OBL contains every individual item of data specified in the FAR clause, paragraph (c)(1) and (c)(2). Any OBL not containing every data item should be referred to the ACO as nonresponsive accompanied by a rejection letter to the contractor for the ACO's signature.

(c) OBLs containing complete data but indicating transportation by a foreign flag vessel should also be referred to the ACO accompanied by a notice that the OBL fails to meet the FAR clause requirement for American flag vessel use. Local option may determine that the notice also be accompanied by a letter for the ACO's signature informing the PCO of contractor noncompliance with the FAR clause.

(d) OBLs containing complete information and evidencing American flag vessel use will be referred to the ACO as being fully responsive to the clause requirement.

(e) OBL evaluations do not consist of making rate determinations relating to costs of U.S. versus foreign flag vessels. Such determinations are to be made by the buying activity after the ACO refers foreign flag OBLs to the PCO. If the buying activity specifically delegates the rate determination action to DCAS, Transportation will perform the function for the ACO.

(16) U.S. Customs Duty Free Entry Clauses. Contracts containing one or more of the duty-free clauses specified in DLAM 8105.1, paragraph 25.6-4c(1) and c(1)a will be identified and the action taken will be as specified in DLAM 8105.1, paragraph 25.6-4c(1)b.

b. In addition to the factors above, in-depth contract analysis should examine:

(1) Transportation evaluation data incorporated by the procurement activity.

(2) GMSW&D, MSS, or CATS requirements. These clauses, in particular, should be identified during review. To minimize risk of violation during the shipment cycle, a letter should be directed to the contractor calling attention to these requirements.

(3) Special mode and equipment availability.

(4) GFE shipping and receiving factors.

(5) Transportability factors.

(6) Hazardous labeling and placarding, special permits, and intransit security provisions. See DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives, for minimum intransit security requirements.

(7) Factors contributing to loss and damage.

(8) Contractor "Procedure A" potential.

2. Contract deficiencies and discrepancies having a significant potential impact upon costs, security, safety, timely delivery, or contractor capability will be identified to the PCO along with recommended solutions, as appropriate. Such notifications will be routed through the ACO. When a potential improvement is detected (e.g., cost differential in mode or alteration of F.0.B. terms) the TMS will perform a cost/price analysis (see paragraph 3-309 below) and forward the results to the PCO via the ACO. DD Form 1716 will be used for this purpose.

3. After review, F.0.B. destination contracts requiring shipment to CONUS installations (excluding terminals for movement overseas) and modifications having no impact on the Transportation function will be designated for destruction by annotation of NN on the face of the document. This procedure will permit packaging personnel to eliminate these documents from the contract flow upon their agreement that there is no further need for retention. When recommendations have been submitted to procuring offices as a result of Cost/Price analysis, F.0.B. destination CONUS contracts affected will be retained until resolution of the recommendation.

4. Contracts and associated contractual documents requiring secondary administration for transportation outside the primary DCASR area of cognizance will not be forwarded to the Transportation office responsible for secondary administration. DLAM 8105.1, Contract Administration Manual for Contract Administration Services, section 4.8-5, and FAR and DFAR 4.2, provide for proper distribution of contracts establishing delegated transportation support. Inadequate distribution may stem from either of two sources: local internal distribution procedures or failure by the procuring office to forward contractual documents directly to the secondary Transportation office. In the former case the TO should coordinate with the COF branch to ensure proper channeling; nonreceipt from a procuring office should be taken up with the appropriate office. DLA-AT will assist in resolving repeated serious (as opposed to single) deficiencies in the receipt of these contracts.

5. When appropriate, the synopsis of data, contractual deficiencies, and positive management action resulting from the review will be highlighted either by annotation on the face of the document or through use of a local contract review data form. The technique or combination of techniques followed should be geared to the principal that the benefits derived from data synopsis and annotation must exceed the amount of time and effort expended in organizing and transcribing the data.

D. Postaward Orientation Procedures

1. PAOC normally will be scheduled by the ACO. However, the TMA, other DCAS elements, PCO or technical representative of the purchasing office may initiate the request to the ACO for such a conference. A conference of Government personnel normally shall be held prior to conferring with the contractor to assure that the coordinated Government position on all matters is established.

2. Transportation postaward orientations may be programmed when it is determined that no need exists for Government participation other than transportation or if there is a need to supplement the Transportation portion of a completed postaward conference. When appropriate, the contractor may be oriented by means of letter or telephone. TMAs will arrange for and conduct Transportation postaward conferences.

3. The TMA must be assured that:

a. Contractual transportation requirements are fully understood by contractors.

b. There is mutual agreement between Government and contractor concerning interpretation of such requirements.

c. Contractor management recognizes the cognizant TO as the Government representative concerning Transportation requirements.

d. Maximum resolution of Government/contractor differences is effected prior to commencement of production.

4. The TMA will be guided by, but not limited to, the following factors in determining the need for, limitation of, and extent of their participation in postaward conferences:

a. PAS findings and recommendations.

b. Results of previous postaward conferences.

c. Technical complexity of required transportation services.

d. Adverse quality history of the contractor's compliance with transportation terms and conditions.

e. The contractor's familiarity with DoD transportation requirements, i.e., new supplier or internal changes affecting transportation by a long-standing DoD contractor.

f. Special contract provisions requiring mutual Government/contractor understanding, e.g., Test Loadings and Shipments.

g. The nature of the item or service contracted for is of such hazard that special precautionary measures are indicated in the contract.

h. The TMA determines that other conditions exist which require PAOC.

5. The transportation agenda covered during postaward conferences should normally reflect the following basic considerations:

a. Transportation requirements specified in the contract.

b. Contractor's plans to fulfill the transportation requirements and obligations of the contract.

c. Functions of the cognizant TO and his/her agents in accomplishing required transportation and traffic management responsibilities.

6. All transportation participants in a PAOC will be expected to have thoroughly reviewed contractual requirements relating to transportation. In addition they will have reviewed all available and pertinent records (PAS, DLA Forms 358, and others) which may be applicable. Notation will be made of any contractual area which may be inadequate, ambiguous, or require special emphasis. (Recommendations for improvement should be forwarded, when appropriate, to the PCO through the ACO.)

7. During PAOC, transportation participants will promote Government-contractor agreement and mutual understanding with respect to the interpretation of contractual transportation terms and conditions.

3-305 CONTRACTOR TRAFFIC MANAGEMENT DELEGATION PROGRAM

A. Purpose. This part establishes procedures and criteria governing the selection, evaluation, and approval of contractors to perform specified traffic management described in DLAR 4500.3. Authority to issue GTRs covering travel by contractor personnel may also be delegated. (See 3-314C2).

B. General

1. Responsiveness to transportation requirements constitutes an increasingly important factor in maintaining effective supply performance during contract administration. To compensate for inherent delays, communication channels should be reduced to a minimum consistent with good management practices. Under the conditions and criteria described in this part, qualified contractors may be delegated authority to perform traffic management in support of DoD contracts. Three categories in the program reflect different levels of responsibility:

a. Category 1. In addition to selecting carriers and routing most less load freight, category 1 contractors make direct contact with MTMC to obtain domestic routings for full load or special shipments.

b. Category 2. These contractors perform the same traffic management actions as category 1 contractors with the exception that they do not contact MTMC for domestic routings, obtaining them instead through the cognizant DCAS Transportation office.

c. Category 3. Contractors in this group route repetitive shipments to a few destinations and have limited need to employ traffic management expertise. Instructions for routing and Government Bill of Lading preparation are obtained from the DCASMA Transportation office.

Note: The term "contractor" is defined, for purposes of this part, so as to include selected subcontractors. The DCASR TO may authorize a Procedure A contractor to delegate GBLs to a subcontractor. Two provisions are attached, however. The subcontractor must employ the bills of lading against contracts under DCAS administration and the origin of such GBL shipments must fall within the geographical boundaries of the authorizing region. Delegation of GBLs for use by subcontractors outside the cognizant DCAS region will not be authorized without approval by HQ DLA, ATTN:

DLA-AT. Headquarters approval may be given only in exceptional cases.

2. It is a standing objective to raise the level of contractor participation in the traffic management program. This can be done by increasing the number of Procedure A contractors and upgrading the degree of responsibility carried by active participants. The Traffic Management Delegation Program probably includes most contractors who are willing to participate and have the desired competency. However, a few contractors can usually be found within the cognizance of each DCASMA who will join the program if approached correctly. Contractors who qualify for category 3 status are prime examples. These should be identified during contract review. With respect to upgrading vendor responsibility, category 2 contractors, by far, comprise the largest percentage of Procedure A contractors. Some in this group possess high competency and outstanding records for performance, two important factors for category 1 qualification. Raising their status (assuming concurrence by MTMC) will facilitate the DRO process and ease the burden of carrier selection brought on by deregulation. So too, category 3 contractors, after sufficient experience at that level, may qualify for category 2 status.

C. Procedures

1. Contractor Selection. The determination that a particular contractor constitutes a likely candidate for Procedure A status will occur usually as a result of contract review, pre/postaward actions, GBL review, GOBIL summary analysis, or contractor request. Long term shipping requirements, i.e., a minimum of six-months experience, involving consistent usage of GBLs or GTRs can be readily identified through the contract review process. So too, consistent examination and comparison of the various GOBIL summaries will serve to focus attention on contractor shipping patterns and can indicate Procedure A eligibility. For a contractor to be selected for evaluation, each of the following conditions should exist:

a. The contractor under consideration maintains sufficient traffic management capability to honor the degree of delegated authority and has expressed a willingness to furnish traffic services at no additional cost to the Government.

b. The contractor is shipping products under DoD/NASA contracts on a continuing basis or the nature of the items is such that immediate response to shipping demands is required due to priority of project, mission, or system.

c. Opportunities for multishipper consolidations are minimal due to remote plant location, or other substantive reason.

d. Delegation of the authority will result in specific advantages or otherwise prove beneficial to the Government. With regard to subparagraph a, above, a contractor's willingness to participate in the Procedure A program can be learned by means of an informal inquiry which should include a broad description of incumbent responsibilities, e.g., use of low-cost modes, GBL preparation and distribution, equitable distribution of freight, discrepant shipment procedures, and Government travel regulations.

2. Contractor Review and Evaluation. Contractors eligible for evaluation under subparagraph 1, above, will be scheduled for a performance review. In evaluating the traffic management competence and performance standards of the prospective Procedure A contractor, the review will not be limited to activity in conjunction with Government contracts. The survey should be conducted in a comprehensive fashion with an accompanying detailed explanation of requirements. Care should be taken to ensure that the contractor is fully aware of the responsibilities and in instances where conflicts may be anticipated due to unique conditions or potential procedural problems, resolution to mutual satisfaction is necessary. Consideration will be given to the contractor's day-to-day traffic department operations, policies, procedures, statistical data maintained, and working relations with other organizational elements.

a. Contractor review and evaluation will be accomplished by qualified DCAS traffic management personnel familiar with Government/industry relationships, procedures and operations.

b. Prior to visiting the contractor's plant, the DCAS traffic management representative will review and summarize the transportation terms and conditions contained in active Government contracts held by or applicable to the prospective Procedure A contractor.

c. Designated TMSs will conduct contractor reviews using the format and performance factors specified in DLA Form 525, Transportation Management Checklist. Work papers will be retained as support for findings or recommendations to be made on DLA Form 341, Transportation Management Evaluation. The DLA Form 358 will be prepared by the DCAS representative.

d. During the review, particular note will be made of the quality of communications channels, and the degree and quality of coordinating actions.

e. The reviewing TMS will complete the DLA Form 341 and rate each functional area indicated. Ratings established to evaluate performance standards are as follows:

Rate	Evaluation
10	Excellent
8	Good

6	Average
4	Poor
N/A	Not Applicable

This rating chart is designed to assist the reviewing official in the determination of contractor qualification for Procedure A status. Assignment of "poor" rating for a particular functional area does not necessarily eliminate the contractor from favorable consideration providing deficiencies can be corrected or improved. Ultimately, the degree of assigned responsibility must coincide with the contractor's desire and capability to perform in a manner requiring minimum supervision and control.

3. Procedure A Contractor Approval. On preliminary determination that a contractor is capable and desirous of performing traffic management services in a Category 1 status, the DCASMA TO will submit through the DCASR TO a completed DLA Form 341, in duplicate, together with a completed DLA Form 358, in triplicate, to the appropriate MTMC area office, requesting approval for such status. Approval of contractors in Category 2 status will be made by the DCASR TO. The DCASMA TO will approve those contractors eligible for Category 3 status.

a. In instances involving MTMC approval authority over candidates for Procedure A status, one copy of the DLA Form 341 will be returned to the DCASMA TO through the DCASR TO by the MTMC area office indicating approval or disapproval as follows:

(1) When approved by MTMC, the DCASMA TO will notify the contractor by letter. This notice will contain:

(a) A clear definition of the authority delegated.

(b) Detailed instructions for obtaining DROs.

(c) The address and telephone number of the MTMC area office and DCAS Transportation element to be contacted.

(d) Two copies of an agreement, in accordance with appendix A of this manual, to be signed by an authorized contractor representative. The original copy will be returned for the DCAS transportation file while the contractor will retain one or more copies.

(e) DLAH 8300.2, Traffic Management Handbook, including such additional information and instructions as are appropriate.

(f) Copies of or instructions relating to GTRs applicable to the traffic involved.

(g) An initial supply of GBLs (not to exceed a 90 day supply) based upon the historic usage data or review of pertinent contracts.

(2) When Procedure A status is disapproved, the MTMC reviewing officer will furnish specific details concerning the reasons therefor, and other appropriate information which may enable the DCASR TO to resolve problem areas and/or determine the current validity of the reasons stated. When conditions and circumstances warrant, the DCASR TO may recommend a joint visit. Every effort should be made to resolve differences by mutual agreement without references to higher headquarters. Matters which resist local resolution will be referred to HQ DLA, ATTN: DLA-AT.

b. In instances when Procedure A status is approved by the DCASMA TO, procedures for notifying the contractor will parallel those in subparagraph a(2), above, except that address and telephone numbers will not be submitted to MTMC. As indicated above, selected contractors may also be authorized by the DCASMA TO to perform passenger travel services in support of DoD contractual requirements. Prepositioning of signed GTRs with contractors, subject to evaluation procedures contained herein, is authorized. The issuance of GTRs by contractor personnel will be under the strict control and guidance of the DCASMA TO. Invoices involving travel of contractor personnel must be approved for payment by the cognizant ACO. GTRs will only be issued when:

(1) Contractor travel is related to performance of a particular contract and is travel for the account of the United States.

(2) Prepositioning indicates a savings potential and meets the requirements of the contractor, both of which result in material benefits to the Government.

(3) Carriers' charges for transportation are billed direct to and paid by the Government agency/department concerned in order to avoid the possibility of duplicate payment.

4. Procedure A Program Maintenance

a. Contractor Surveillance. If substandard performance or actual violations are to be identified, contractor execution of responsibilities must be consistently monitored. The principal media for such surveillance are GBL review, examination of GOBIL products (primarily the Contractor/Consignor Listing), input from Discrepancy Reports programs and periodic facility visits. Surveillance visits will be conducted, as a minimum, within 12 months of the preceding visit for all Procedure A contractors unless the contractor is authorized to perform only a purely clerical function. The requirement for annual surveillance visits may be waived by the DCASR TO when a Procedure A contractor demonstrates, through excellent performance, superior traffic management capability. Requests for such waivers will be submitted in writing by the DCASMA TO. As a minimum, the

rationale must include statements relative to GBL preparation error ratio, shipment consolidation efforts and achievements, the effectiveness of mode selection procedures, and any other appropriate factors. Waivers will be granted for one year only and no waiver will be approved for the same contractor two years in succession. On occasion, transportation seminars attended by Procedure A contractors may be substituted for surveillance visits. This approach should be used sparingly, however, and should not replace scheduled visits to those contractors who exhibit problems, the resolution of which cannot be accomplished in a seminar atmosphere.

b. When a contractor's noncompliance with requirements results in additional transportation charges, a review shall be conducted to determine if the contractor has incurred excess costs. The review should embody all pertinent data including applicable tariff rates and charges. Upon determination of excess charges, the DCASMA TO will coordinate with the ACO to ensure that proper corrective action is taken. Appropriate action will include collection of excess charges by the ACO and their refund to the proper account.

c. Based upon review of GBL documentation, the Traffic management Analysis element will bring discrepancies to the attention of the contractor and, when necessary, process GBL correction notices in accordance with DLAR 4500.3.

5. Revocation/Degradation of Authority

a. A dynamic Procedure A Program relies not only on the addition of new, capable contractors into the system and comprehensive monitoring of all participants, but also upon the potential for revoking the privileges or diminishing the contractor's prerogatives when justified. Either action may be taken:

(1) When a consistent pattern of noncompliance by the contractor with major traffic management or travel responsibilities indicates an unwillingness or inability to perform assigned functions in a competent fashion. Serious violations of instructions, e.g., unjustified incurrence of excess transportation charges, failure to consolidate shipments or equitably distribute freight, and refusal to consult with the CTO on shipments beyond the authority of the contractor should be repetitive and well documented prior to taking action.

(2) When the volume of GBL issuance so indicates. It is recommended that contractors with Procedure A authority be removed from that status when the volume of GBL issuance falls below average of two per month for a period of six consecutive months.

(3) When the contractor so requests.

b. The DCASMA TO will issue a formal letter to the contractor describing the change in status, outlining the reason(s) for the action taken and, if appropriate, requesting the return of unused GBLs and GTRs. He/she will provide a copy of the letter for information to the DCASR TO and, if appropriate, the ACO and MTMC.

3-306 PREPAID TRANSPORTATION PROGRAM

A. Purpose. This part provides a description of and guidance for shipping by commercial freight, small package carriers, or parcel post when the contractor prepays the transportation charges and obtains reimbursement from the Comptroller's office. Prepaid procedures may apply to domestic movements including CONUS export terminals within the DTS. Both Procedure A and B contractors may participate in the PTP.

B. General. The PTP offers an alternate approach to directing contractor shipments when the Government is responsible for payment of transportation charges. FAR 42.1403-2 and 42.1404 provide the necessary authority. As presently developed, the program reflects high level interest in reducing the emphasis on GBLs while simplifying movement procedures and documents.

C. Procedures. On the basis of authority found in the FAR or individual contracts, the TO may instruct the contractor to prepay single or multiple shipments. If authority does not rest in the contract, the TO should notify the Comptroller's office through a copy of the shipping instructions or other mutually agreeable document that the contractor has been given proper authority by virtue of the FAR. After shipment, the contractor obtains reimbursement from the Comptroller's office by submitting an invoice with transportation charges separately stated. In the case of freight shipment, the invoice should be accompanied by a copy of the GBL, shipment receipt, or freight bill. The contractor should forward a second copy of the shipping document to the cognizant transportation office.

D. Program restrictions. Shipment under the PTP are limited by:

1. Weight. FAR 42.1403-2 restricts weight to 1,000 pounds or less for commercial surface transportation. Weight for air transportation may not exceed 150 pounds.

2. Specific commodities. Prepaid shipments should not include these commodities.

a. Hazardous materials: ammunition, explosives, and fireworks, Class A or B; radioactive materials; and poisons, Class A or B.

b. Articles requiring protection from heat or cold.

c. Articles of unusual value (NMFC item 780).

d. Articles requiring special handling or equipment.

e. Vehicles, including boats.

f. Commodities in bulk.

g. Empty aircraft engine containers on wheels.

h. Household goods.

i. Items contaminating or injurious to other lading.

j. Livestock.

k. Personal effects.

l. Classified material.

m. Items requiring special intransit security service.

Carriers' tenders prohibit shipping many of these commodities as exceptions to FAK.

3. Service. The same carrier should serve both origin and destination points.

4. Type of funding. The PTP applies to FDT; it may not be used when freight charges would accrue to SDT.

5. Contract provisions. Individual contracts may place restrictions on shipments otherwise eligible for the PTP.

E. Contractor Guidance. Contractors, both Procedure A and B, stand at the center of the program. Since multiple shipments generated without individual shipping instructions give DCAS a better return on investment, it is crucial that contractors are sufficiently trained to ship routinely without securing instructions for each shipment. Strong initial guidance will ease subsequent surveillance. At a minimum, each shipper with blanket authority to prepay shipments should have the following guidance:

1. Letter of Authorization. This notification to the contractor by the TO describes the scope of prepaid authority, viz. blanket or by contract(s). A copy of the letter may be used to notify other interested parties, e.g., the Comptroller's office and the QAR.

2. Program restrictions. Contractors must operate within the limits established in paragraph D above. The TO should provide an explicit statement of restrictions to each contractor. For parcel post shipments, the Government does not reimburse contractor costs in the purchase of insurance. Also, in the event of an overcharge to the contractor by the carrier, the Government will reimburse according to the lowest applicable motor rate, as determined by the applicable tariff/tender, commensurate with the shipment, unless the rate applicable to the mode used is lower.

3. Routing guide. Each DCASR should make available a routing guide for use by both DCASMA and contractor traffic people. Adapted to less load traffic, the guide should be an updated handy reference to aid in determining the most economical carrier.

4. Evidence of shipment. Feedback is critical to proper surveillance of the PTP. Each contractor should be encouraged to submit two copies of the CBL, shipment receipt, or freight bill—the first attached to the invoice submitted to the Comptroller's office and the second mailed immediately to the cognizant DCASMA Transportation Office.

5. CBL Certification. Since prepaid shipments under the PTP move on F.O.B. origin terms, the certification found in FAR 52.247-1 must be annotated on CBLs used for fixed-price contracts to establish payment responsibility and liability. FAR 52.247-1 also provides for CBL certification in conjunction with cost-reimbursable contracts. Failure by the contractor to place the certification on the CBL may cause the Government to incur excess transportation charges and cloud the issue of shipment liability in the event of damage or loss.

6. Shipment consolidation. Contractors should be encouraged to consolidate shipment units whenever possible. The consolidated weight should not exceed program restrictions. If multiple PIINs are involved in the consolidation, the contractor should submit his invoice with the freight charge apportioned by contract number according to percentage of weight for each contract.

F. Shipment evaluation. This phase of PTP has for its objective the determination that shippers comply with transportation guidance and that they obtain reimbursement commensurate with good shipping practice. Shipment errors generally are reduced when contractors realize the DCASRs enforce a strong review program.

1. Shipment compliance. DCASMA TMAs should review the copy of each CBL or other shipping document to assess contractor response to transportation guidance. Deficiencies should be identified and corrected immediately to forestall future erroneous reimbursements.

2. Payment evaluation. Review of transportation reimbursement payments is mandatory if DCAS is to avoid excess costs. DCASR TOs/TMAs will examine appropriate data to assure that reimbursements to contractors are proper and accurate. A combination of techniques can be used:

a. Notification from API (Automatic Payment of Invoices). API generates for review all transactions containing transportation charges of $100 or greater. These can be channeled to the DCASR in lieu of DCASMA and reviewed for potential overpayment.

b. T&P Transaction Contract Listing (XFNP11). This report shows freight and parcel post (T&P) billings paid by contract. Each DCASR shall establish a dollar floor for each type of trans-

action. The suggested criteria for "T" and "P" transactions is $50 and $15 respectively. TOs/TMAs will review for propriety and accuracy those payments exceeding the criteria.

c. Contractor payment file. Each payment file contains all prepaid transactions against a specific contract. A systematic approach to review payment files, either singly or in combination, will allow the TO to identify contractor performance patterns as well as assure proper reimbursements.

d. Contract freight file. A supplementary approach can be taken by obtaining data from the CBL/freight bill file located at the contractor's plant. DCASMA TMAs can assist in this effort by reviewing the file on scheduled visits.

3. Reimbursement principles. In reviewing PTP expenditures, the TMA should follow these principles:

a. Actual versus tariff costs. If the Government specifies routing, either generally or for each individual shipment, DCAS will pay the actual cost. Should the contractor ship contrary to, or in the absence of, routing instructions, DCAS will reimburse according to the carrier's lowest applicable commercial or Government motor tariff or tender rate, regardless of mode used, unless the rate applicable to the mode used is lower.

b. Constructive costs. A contractor originating a shipment from a location other than the F.0.B. point named in the contract will be reimbursed according to the constructive cost for movement from the F.0.B. point named in the contract.

c. Unauthorized prepaid shipments. When a contractor prepays an F.0.B. origin shipment without authority, either from the contract or through the auspices of the TO, the TMA should exercise judgment in approving reimbursement of charges. Approval may be given providing the transportation charges are accurate and the contractor otherwise had used proper procedures.

G. Overcharge claims. When the carrier overcharges, the contractor has the responsibility to obtain from the carrier the difference between the correct freight charge and that paid to the carrier. DCAS will not process overcharge claims to the carrier. Any appeal by the contractor for reconsideration of the amount reimbursed in conjunction with an overcharge paid to a carrier should be evaluated on the basis of sound rate data and traffic management principles.

3-307 CONTRACTOR SURVEILLANCE AND REVIEW

A. Purpose. This part establishes procedures governing the performance of surveillance, assistance, and capability visits to contractor facilities.

B. General. Due to the proximity of DCAS offices to contractor facilities, the nationwide network of such offices, and the resident expertise of DCAS Transportation elements, FAR 42.302(a)(36), specifically authorizes the review of contractors' traffic operations. Such reviews may be performed in support of specific programs, e.g., as part of a team effort, such as a CPSR or a PAS, or as a discretionary activity on the part of local DCAS traffic management elements in maintenance of current contractor capability files.

C. Procedures

1. Contract Procurement Systems Review. The CPSR is conducted in accordance with FAR, parts 42 and 44; and DLAM 8105.1. When requested to participate in a CPSR, the designated TMA will review FAR and DLAM 8105.1, as they relate to this function. The TMA will thoroughly inspect all aspects of the contractor's internal purchasing processes (e.g., transportation of raw materials or subassemblies into the facility, or that of his subcontractor) to determine that methods used conform to sound industrial transportation practices and provide maximum protection and benefit to the Government. Reports and recommendations will be submitted in the format and time frame established by the CPSR team captain.

2. Contracting Estimated Methods Review. The DCAA is the assigned manager for the CEMR program. The cognizant ACO has certain responsibilities relative to a contractor's estimating procedures and is the leader of the field pricing team. The local DCASR CEMR monitor is responsible for assuring that appropriate technical personnel are assigned to the in-plant survey effort in support of the program manager's request for assistance. As team members, TMAs will assess the professionalism and, thus, the reliability of the contractor's systems for estimating transportation costs. TMAs who are to participate in the effort will be familiar with FAR 15.8 and DLAM 8105.1, part 3-809. Reports and recommendations will be prepared and submitted in accordance with the requirements of the team leader.

3. Other. To accomplish Transportation responsibilities in the PAS program, Postaward Orientation program, Procedure A Program, Cost Evaluation and other functions listed in Section III, TMAs must visit contractor when desk procedures are inadequate. Specific guidance in the conduct of such visits is contained under each subject discussion in this section and will not be repeated here. It should be noted, however, that the DLA Form 358, representing the DCAS transportation element's primary source of contractor capability data, should be prepared or updated on the occasion of each plant visit.

3-308 PREPARATION OF GOVERNMENT PROPERTY FOR MOVEMENT (Plant Clearance and Facilities Movement)

A. Purpose. This part provides guidance and procedures for participation by the TMA in the preparation for shipment/storage of Government property in the possession of Government contractors.

B. General. The Government, through its Property Management Program, is responsible for ensuring the orderly removal of Government property in possession of contractors pursuant to the regulatory and contractual provisions. Generally, DCAS transportation personnel will assist in this effort by means of rendering technical assistance and guidance to contract administration officials. Transportation personnel will advise ACOs to ensure that effective and economical transportation requirements are incorporated in appropriate contractual instruments, evaluate contractors' proposals to ensure cost effective transportation terms, and render assistance to property management personnel (property administrators/plant clearance (officers) in the development and/or review of shipping instructions.

C. Procedures:

1. In advising DCAS property management personnel, the designated TMA will be familiar with FAR, part 45. In close cooperation with the DCAS PS, the TMA will focus on the following factors:

a. Origin(s) and destination(s) loading and unloading facilities.

b. Storage and/or processing intransit application.

c. VMR requirements.

d. Carriers' service and equipment availability at origin and destination.

e. Physical characteristics of items to be shipped, including size and weight.

f. Transportabiltiy.

g. Transportation cost factors, e.g., packaging cost trade-off versus van movement, on-loading or off-loading costs at origin and destination for motor carrier movement versus rail and/or water movement, disassembly costs versus intact movement, route of travel clearance costs for oversize equipment, escort cars, and special permit costs for oversize/overweight shipments.

h. Preservation and packaging methods.

i. Protective equipment availability, such as tarpaulins, shrouds, special containers, and suitable carrier vehicle(s).

2. Close coordination will be maintained with property management personnel to assure prompt compliance with all shipping instructions. The source document for shipments moving on GBLs normally is DD Form 1348-1, DoD Single Line Item Release/Receipt Document. To match transportation charges committed for IPE movements with funds actually obligated, DIPEC requires the DIPEC Document Number (MILSTAMP), a 14-digit alphanumeric configuration obtained from the DD Form 1348-1. The DIPEC Document Number must be typed on the GBL, preferably in the "Marks" block. If the Document Number is not available at time of GBL issuance, it is incumbent upon transportation personnel to obtain the number from property management personnel to:

a. Prevent loss of committed funds by the timely expenditure of such funds.

b. Create a ready cross reference and tracing mechanism.

c. Forestall time-consuming inquiries.

3. In conjunction with subparagraph 2 above, the fiscal copy of the GBL will be forwarded to: Defense Depot Memphis, ATTN: DDMT-FDD, Memphis, Tennessee 38114-5297.

3-309 TRANSPORTATION COST EVALUATION

A. Purpose. This part establishes policy and procedure for the performance of transportation cost evaluation by DCAS transportation personnel. The accomplishment of such analyses, whether internally or externally generated, is necessary for establishing conditions or promoting courses of action which will result in the lowest practicable transportation cost to the Government.

B. General. In discharging shipment duties and responsibilities DCAS Transportation is governed to a degree by prior actions of other parties in the logistics cycle. Since many of these prior actions ultimately impinge upon the transportation function, they should be subjected to positive critical examination to determine the cost-effectiveness of the actions as they relate to or affect the transportation function. Cost evaluation, particularly the self-generated portions of the function, constitutes an excellent vehicle for increasing this critical evaluation. DCAS Transportation personnel will perform this function to the extent necessary for realizing maximum savings to the Government and to ensure promotion of transportation cost effectiveness in the DoD logistics process.

C. Procedures. Various contract clauses or traffic management actions involve some form of transportation cost evaluation: Guaranteed Maximum Shipping Weights and Dimension Clause, F.O.B. Origin-MSS Clause, F.O.B. Origin—CATS Clause, verification of freight charges for F.O.B. origin shipments, analysis of F.O.B. destination freight charges, freight consolidation, domestic and export traffic releases, diversion of F.O.B. destination shipments, misuse of GBLs by contractors, and movements of GFE. In the case of GMSW,

MSS and CATS clauses, C will request evaluation of the contractor's performance through the Transportation Officer's Approval Alert (see appendix D) before final payment. C will furnish all shipment numbers, including applicable GBL numbers, made against each contract. It should be noted that each CAO data terminal retains applicable DD Form 250, Material Inspection and Receiving Report, filed by PIIN. These will provide supplementary data when needed. Analysis of cases, including those requiring expedited action (e.g., discounts or overcharge) will be accomplished by the traffic management element serving the prime ACO. In those cases when the cognizant shipping office differs from the evaluating traffic management element, the latter will obtain necessary data by telephone or letter from the Transportation office which originated the shipments. Timely cooperation will be provided to the evaluating Comptroller when transportation information is requested. All computation will be developed and verified to avoid errors and preclude resubmissions. A copy of the completed report made to Comptroller, with appropriate support documents, will be filed in the Transportation office. If excess transportation costs are due from the contractor, a copy of the completed report will be forwarded to the ACO and to the appropriate DCASMA Transportation office outside the region which originated the request.

1. Guaranteed Maximum Shipping Weights and Dimensions (GMSW&D)/Clause (FAR 14.201-1, 47.305-16 and 52.247-60).

a. This clause, more commonly known as GMSW&D, applies when the mitigation of competitive advantage among bidders is sought. The PCO may state the GMSW&D per shipment unit in the IFB or RFP. Bidders then must submit bids with transportation charges computed on the IFB/RFP-stated GMSW&D per shipment unit or on the bidder's own GMSW&D per shipment unit if different from that stated in the IFB/RFP.

(1) Compliance evaluation of the GMSW&D clause should take place only when transportation costs were a factor in bid evaluation. It may be necessary to contact the PCO at time of contract review to establish the applicability of the clause. If not applicable, the clause should be deleted from the Mechanization of Contract Administration Services (MOCAS) data base.

(2) The analyst will compare total actual weight with the total guaranteed weight of all shipments subject to the clause. If total actual weight exceeds the stated guaranteed weight, the contract price paid by the Government shall be reduced by the cost of transporting the excess from the shipping point to actual destination(s) when such appear in the bid package or to the presumed destination(s) when used for bid evaluation purposes.

(3) When the contract produces export shipments via ocean transportation, the analyst will also compare the guaranteed maximum dimensions, or cube, with the actual size of the item as packed for shipment. If the guarantee has been exceeded, the contract price shall be reduced by that part of the port handling and ocean transportation/charges applicable to the excess shipping cube.

(4) Freight rates and destinations used by the analyst in the comparison computations must be identical to those used for bid evaluation purposes. If the identical rates are not available for comparison, the TMA should seek them from the appropriate procurement office.

b. Prior to contractor receipt of final payment, Comptroller will request the Transportation office to verify that the contractor honored his guarantee during the shipping period. To complete a cost/price analysis on a Guaranteed Maximum Shipping Weight and Dimensions Clause:

(1) The Contract File will be obtained and reviewed for clause applicability and pertinent data. Complete absence of data in the clause indicates its nonapplication.

(2) Weight (dimensions, if applicable) and commodity/classifications of shipment will be determined.

(3) If the contractor has exceeded the guarantee, a cost analysis to establish a recoupment charge will be performed. The freight rate(s) applicable to destination(s) at the time of bid evaluation must be used and will be obtained from the PCO.

(4) A report will be prepared, incorporating appropriate recommendation and forwarded to the cognizant Comptroller along with supporting documentation.

c. After the TO's Approval Alert report goes to the Comptroller, the copy is filed in the Transportation office for one year. Subsequently, all copies may be destroyed except those reports (and supporting documents) which recommended deductions to contractor payments. The latter reports should be included in the master contract file. Given the volume of computer reports and the fact that the original response flows to Comptroller, it is unnecessary to transfer affirmative replies to the master contract file after one year. The procedure to file T&P operational documents in two separate files for the same Procedure A contractor should be continued. DLAM 5015.1 provides for the two types of data to be filed in 600.40 and 835.40 respectively. T&P documents can be subfiled within those two files numbers according to

contractor. In this manner the integrity of the file system is maintained and documents pertaining to a single contractor can be readily found albeit in two distinct locations.

2. F.O.B. Origin—Minimum Size of Shipments Clause (FAR 47.305-5 and 52.247-61).

a. This clause requires that the contractor ship in volume according to the delivery schedule stated in the contract. Technically, the contractor must tender to the carrier the highest applicable minimum weight which will result in the lowest freight rate (or per car charge) on file or published in common carrier tariffs or tenders as of the date of shipment. When it is not possible to ship a scheduled quantity constituting a carload or truckload, to a destination the contractor must consolidate the material into one shipment within the delivery interval. FAR 47.305-5 requires the F.O.B. Origin—Minimum Size of Shipments Clause to be included in the proposal solicitation when transportation charges will not be considered in evaluation. Omission of transportation charges in bid evaluation occurs if the purchasing office and the requiring activity determine that it is impractical to estimate any tentative or general delivery points.

b. Minimum Size of Shipment evaluation will proceed as follows:

(1) The contract will be analyzed with regard to delivery schedules and destinations, and the contractual schedule of shipments by delivery schedule and destination will be recorded.

(2) The schedule of shipments actually made by the contractor will be recorded on the evaluation sheet.

(3) Data acquired through subparagraphs (1) and (2) above will be compared. Shipments which conform to the contractual delivery schedule will be excluded from further consideration. If comparison is impractical due to the lack of similarity between the actual shipments and the contractual requirements, see subparagraph (5) below.

(4) On the remaining shipments, for which the actual shipments do not conform to the contractual schedule, a cost comparison will be made as follows:

(a) Determine by delivery date and destination the transportation cost of each quantity if delivered in accordance with the delivery schedule;

(b) Determine by delivery date and destination the transportation cost of each quantity as actually delivered;

(c) If subparagraph (b) exceeds subparagraph (a) above, the Finance Officer will be notified to deduct the difference from the monies due the contractor on final payment.

(5) When the contractor has violated the contractual delivery schedule to the extent that it is difficult to relate actual shipments to scheduled shipments, the following procedure will apply:

(a) Determine the weight of each different contractual item.

(b) Determine the total weight of each shipment called for by the delivery schedule and compute the transportation charges the Government should have incurred.

(c) Determine the total weight of each shipment actually made by the contractor and compute the actual charges.

(d) If subparagraph (c) exceeds subparagraph (b) above, the Finance Officer will be notified to deduct the difference from the monies due to contractor on final payment.

3. F.O.B. Origin—CATS Clause (FAR 47.305-5, 47.305-16, and 2.247-59).

a. This clause controls shipping weight to obtain low-cost movement. Although applicable when preevaluation conditions differ, i.e., destinations are unknown but general locations can reasonably be established, the clause's impact on the contractor remains unchanged, namely achievement of economical truckload or carload shipments within the delivery schedule. Basically, the contractor agrees to ship in carload or truckload lots when the quantity to be delivered to any one destination in any delivery period specified in the contract schedule of deliveries is sufficient to constitute a carload or truckload shipment. When it is not possible to ship the scheduled quantity to a destination in the volume required, the contractor must consolidate the material into one shipment within the delivery interval.

b. CATS Evaluation Procedure. Since impact of the CATS Clause on the contractor is identical to the Minimum Size of Shipments Clause, the evaluation procedure for the CATS Clause follows that delineated in subparagraph 2b above.

4. Verification of F.O.B. Origin Freight Charges. In consonance with contract terms or FAR 42.1403-2 permitting the contractor to ship on a prepaid basis and to add the transportation charge to the invoice, Comptroller may request the Transportation office to authenticate the charge before payment. The response should be predicated upon verification of the charge with freight rates applicable at the time of shipment and confirmation that the contractor acted within the contractual framework.

5. Verification of F.O.B. Destination Freight Charges. Review of F.O.B. destination contracts will isolate occasional opportunities for cost analysis resulting in change of mode, delivery schedule, or F.O.B. terminology. A cost comparison should realize significant savings to offset the cost of proc-

essing a change request and any other cost attendant to the change. Such savings are legitimate submissions to the Cost Benefit Program.

6. Domestic and Export Traffic Releases. The TMA will review all MTMC traffic releases to ensure their compatibility to the materials being shipped and to governing contract terms. The TMA should be alert for possible improvements in routings, given shipment commodity, configuration, cost, and priority. When MTMC agrees to a change in routing which will produce shipment savings, the change qualifies as a cost avoidance action.

7. Landed Transportation Costs. Export shipments generally follow similar patterns as to method and mode of shipment, at least during the short term. Familiarity with these patterns and critical analysis of routings may identify potential changes as to different modes, carriers, and intermodal techniques. For example, cargo handled traditionally via break bulk may be adaptable to containerization. A cost analysis should be performed to determine the most economical method. Analysis should consider port handling charges, ocean freight rates, Military Airlift Command rates, and through container rates as a minimum. A successful change recommendation is eligible for cost avoidance.

8. Shipment Diversions. Requests are made by ACOs to provide cost guidance on F.O.B. destination shipments diverted to different destinations or diverted to different modes. Comparison must be made between the original and new destinations based on such factors as the contractor's intended mode of transportation, number of shipment units, and MTMC-provided commercial rates. The difference in transportation cost, advantageous to the Government or the contractor, will be furnished to the ACO. When appropriate, the methodology for cost evaluation cited in FAR 52.247-54 will be utilized.

9. Technical Analysis of Cost Proposals. TACPs frequently include significant dollar amounts for F.O.B. destination transportation. Since these amounts often include G&A and profit DTACPs may have high potential for cost avoidance. DLAM 8400.2, Part 5, provides guidance and procedures for performing Technical Analysis of Cost Proposals (TACPs) by all functional elements. While the Contract Management Engineering element is the office of primary responsibility for TACPs, they are actually performed by both the Engineering and Production elements. When specialized transportation assistance is necessary, a formal request will be made by the performing element and all responses should be returned to the requesting office. The cost estimate should be based upon contractor compliance with shipping practices similar to those required by MSS/CATS clauses and commercial rates adjusted for the life of the delivery schedule should be used. The analysis should likewise include a comparison with Government rates as if the proposal were F.O.B. origin. Rationale for TACPs must make a direct comparison between the Government's and the contractor's estimates. In the event F.O.B. origin appears more cost effective, the analysis should isolate direct transportation costs for both the contractor and the government.

3-310 GOVERNMENT BILL OF LADING ANALYSIS

A. Purpose. This part establishes procedures and sets forth guidance for the review and analysis of GBLs issued by, or under the auspices of, the local DCAS TO and for the generation of corrective actions resulting from such review.

B. General. GBL review is an internal quality audit mechanism for the uniform monitoring of contractor performance in shipment accomplishment and Government performance in GBL preparation. To maintain an effective surveillance program and protect Government's interest, it is imperative that all GBLs be reviewed. The degree of review to which each GBL will be subjected by TMAs is dependent upon the complexity of the shipment and the type of instruction associated with it. The primary objective of this function is promoting good traffic management practices through the consistent and thorough evaluation of performance.

C. Procedures. Copies of GBLs forwarded by contractors to DCAS Transportation offices following shipment release will be reviewed by transportation personnel. Examination of the GBL (memorandum copy) will be accomplished in conjunction with the examination of GBL worksheets (for Procedure B shipments), the applicable contract(s), and associated routing instructions.

1. GBL Review. Examination will encompass, but is not restricted to, the following factors:

a. Adequacy of GBL Data

(1) All data on the GBL must be checked for adequacy. Particular attention should be devoted to:

(a) Annotation of the GBL number on extra memorandum copies.

(b) Proper transportation carrier.

(c) Domestic or Export Release number as applicable.

(d) Data applicable to full-load shipments.

(e) Origin shipper and location, destination identification, and "MARKS" information, in-

cluding the DIPEC Document Number, if applicable.

(f) Accurate transportation appropriation citation and billing address.

(g) Freight classification and description.

(h) Number and kind of shipping units with applicable weight.

(i) MILSTAMP data when applicable.

(j) Appropriate tariff citation.

(k) F.O.B. point and contract number(s).

(l) Date of shipment release and signature of carrier's agent.

b. Compliance with Routing Instructions. An essential facet of GBL review is the identification of shipment deficiencies generated by contractors in violation of routing instructions. A list of possible violations is impracticable, however, due to instructional variations. Nevertheless, performance should be compared with instructions provided to assure full compliance by the contractor. Domestic release information obtained by Procedure A contractors from MTMC is not usually available to the DCAS Transportation office. Consequently, such contractors will be required to provide applicable copies of all Domestic Releases including telephone transcripts with GBL copies returned to the DCAS Transportation office. A copy of SROs need be forwarded only once.

c. Compliance with Contractual Provisions. In the course of shipment release, the contractor is obligated to comply with contractual terms and provisions including amended shipping instructions. Certain transportation clauses involving F.O.B. terminology and loading, blocking, and bracing provisions are common in many contracts. This review segment should ensure that the contractor has, in fact, honored all transportation contractual requirements. These include GMSW&D, MSS, and CATS clauses. If the GMSW&D, clause has been violated, the TMA will immediately obtain the applicable transportation evaluation factor from the procurement activity.

2. Recoupments and Corrective Actions. Immediate action will be taken to recoup excess transportation charges incurred by contractors. Following sufficient research to assure validity of the Government's claim, the TMA will apprise the ACO of the nature of the claim and request recovery action. Serious deficiencies with regard to GBL preparation (not otherwise corrected by SF Forms 1200, GBL Correction Notice) will be identified and made part of the contractor's performance file. The TMA will discuss such deficiencies and prescribe corrective action during subsequent surveillance visits. In the event the contractor is not subject to surveillance visits or the nature of the errors require immediate action, the contractor will be apprised of the problems by letter.

3-311 TRAFFIC OPERATIONS AND DOCUMENTATION PROCESSING

A. Purpose. This part provides guidance and procedures governing actions performed in response to the shipping requirements of contractors on DCAS-administered contracts. The following discussion encompasses both domestic and export shipping procedures and is intended for shipments accomplished by contractors other than Procedure A (see paragraph 3-305 above) unless otherwise specified.

B. General. The majority of contractors with whom DCAS Transportation personnel deal do not possess the capability or inclination to perform the more intricate transportation and traffic management functions necessary for the smooth entry of procured material into the DTS. In addition, procedures for export of material must be accomplished for all contractors (including those designated Procedure A) by DCAS Transportation elements.

C. Procedures

1. Domestic Shipment Procedures and Documentation.

a. Application for GBLs. Contractors (Procedure B) will be required to submit DD Form 1659, Application for U. S. Government Bill(s) of Lading/Domestic Route Order/Export Traffic Release, in duplicate, to the cognizant DCAS Transportation element. (Where scheduling dictates, DD Form 1659 date may be telephonically communicated to the DCAS Transportation office. This procedure should be used sparingly, however, and only to avoid possible shipment delays.) The application should be received in the Transportation office at least 10 days prior to the shipment availability date. Emphasis upon this requirement by transportation personnel and compliance with it by contractors will ensure the necessary leadtime to permit an orderly and qualitative response by transportation personnel. The contractor will submit separate DD Forms 1659 for each distinct destination. Each application will be logged in upon receipt (see paragraph 3-404 A9). Processing applications for GBLs will be accomplished with a view toward maximum consolidation—when such is practical and in the best interests of the Government. (See paragraph 3-202 B above) Useful techniques for accomplishing consolidations are distribution of applications among FRSs and assistants by destination: combining individual applications based upon concurrent shipping data (such as same destination for compatible material within reasonable time spans); encouraging contractors to hold shipments for an extended period of time pro-

viding that contractual requirements are not violated; and application of stopoff privileges. It is noted that continual emphasis upon consolidation will help to engender an environment in which contractors will think in terms of shipment consolidation.

b. Issuance of GBLs. Upon receipt of the contractor's application, the FRS/assistant will:

(1) Examine contractual documents to verify F.O.B. terms, GBL requirements, and application of contractual provisions.

(2) Ascertain or confirm the freight classification description(s), including appropriate classification item and subnumbers.

(3) Determine routing and mode.

(4) Compute and evaluate freight rates and select the common carrier.

(5) Estimate total transportation charges.

(6) Prepare shipment planning worksheet and GBL.

(7) In conjunction with subparagraph (6) above, prepare necessary special instructions. Instructions should be conveyed to the contractor by means of DLA Form 359, Instructions to Contractors for CONUS/Export Shipments, local forms, or special letter. If applicable, DD Form 651, Carrier's Report of Vehicle Damage or Breakdown, and DD Form 836, Special Instructions for Motor Vehicle Drivers, will be prepared and forwarded. The shipper (contractor) must be alerted to the need for DD Form 626, Motor Vehicle Inspection (Transporting Hazardous Material).

(8) Enter GBL issue data into GOBIL.

(9) Combine GBL memorandum copy, shipment planning worksheet, and DD Form 1659 for suspense filing.

(10) Forward completed GBL, special shipping instructions, and copy of DD Form 1659 to contractor.

(11) When applicable and not otherwise required of the contractor by FAR 52.242-12, a REPSHIP will be processed in accordance with DLAR 4500.3 and DoD 4500.32-R.

(12) With regard to GBL processing, Procedure B contractors will be cautioned to abide strictly by the instruction provided and make no alterations in either GBL data or procedures without prior approval by the DCAS TO or his/her authorized representative. Any changes authorized after the GBL has been forwarded to the contractor must be noted on the office file copy of attendant documentation. When it is reasonably certain that data supplied on the DD Form 1659 will not change, complete shipment data, i.e., number and kind of packages, weight, etc., will be annotated on the GBL by DCAS transportation personnel. The Procedure B contractor will complete those blocks pertaining to full load shipments and will assure that the carrier signs and dates the GBL in receipt of shipment. TOs may deviate from the above procedure, i.e., that of annotating variable data on the GBL, when circumstances surrounding a particular shipment so dictate and they are satisfied that the contractor will follow instructions for completing GBLs.

c. Shipping Instructions. Every effort will be made to provide concise, explicit shipping instructions to the contractor. In many cases, the GBL will suffice. DLA Form 359, a local form or special letter, will be prepared and forwarded to the contractor when a GBL is not appropriate or additional instruction is required. Similarly, the DD Form 1659 or locally developed forms may be utilized for this purpose where they are clearly superior for the purpose indicated. When contractors are authorized to prepay freight or small parcel charges and subsequently bill the Government, a copy of the authorizing instructions of memorandum (e.g., appendix B) will be forwarded to the DCASR's Comptroller responsible for payment.

d. Distribution and Processing of GBLs. The contractor will accomplish movement as directed, and complete and distribute copies of the GBL in accordance with instructions. GBL memo copies should be returned to the DCAS office each day. Upon receipt of memorandum copies of the GBL from the contractor, the TMA element will review them for technical adequacy and completeness (see paragraph 3-310 above). The Operations element will ensure that:

(1) SF Form 1200 is issued when significant items require correction.

(2) Estimated freight charges are annotated on all memorandum copies and distributed as follows:

(a) A memorandum copy (marked or stamped "MTMC") is forwarded to the cognizant MTMC area office. For classified shipments and protected movements the MTMC copy will be processed in consonance with DLAR 4500.3.

(b) A memorandum copy is submitted to the appropriate Finance and Accounting office of the procuring Military Service or Government agency. (It should be noted that the fiscal copy of first destination GBLs will not be forwarded to the Air Force Finance and Accounting office.)

(c) The Property Shipped Copy is the document to be used for entering data into the automated GBL register (GOBIL). This document replaces the suspense copy and is placed in the permanent GBL file.

e. Domestic Route Orders. Submission of a DD Form 1659 by a contractor or contract review ordinarily will trigger a DRO request to MTMC. If

contacting MTMCEA, transportation specialists may use DD Form 1659 as a DRO request in place of DD Form 1085, Domestic Freight Routing Request and Order. MTMCWA, however, accepts only DD Form 1085. In either case, all data must be checked for clarity, accuracy, and completeness, tariff and routing recommendations made, if appropriate and the Shipment Request Register annotated. Data may be transmitted by AUTODIN, facsimile reproduction, TWX, mail or telephone, depending upon priority and availability of the media. Copy of the data transmittal will be placed in suspense pending reply. Data provided by the routing authority will be reviewed by the TMA for challenge action if appropriate. After shipment documentation is forwarded to the contractor, the completed DRO will be filed. DROs governing subsequent shipments may be placed in a suspense file with appropriate cross references.

f. Transportation Control and Movement Document. Although the DD Form 1384, Transportation Control and Movement Document, is used primarily in moving freight through terminals for overseas export, the hard copy is required for CONUS shipments handled by QUICKTRANS. (See paragraph 3-202 C.) The document will be prepared and provided to the shipper prior to movement via this service.

g. Parcel Post. Paragraph 3-312 considers parcel post as part of small package shipments. Note that the use of mailing indicia has been limited to shipments against printing contracts. Proper address for parcel post shipments may be obtained from applicable contracts, the DLAH 4510 series, DoD 4000.25-D, DoD Activity Address Directory, and USPS sources.

h. Government Bills of Lading for Procedure A Contractors. At the request of a Procedure A contractor for blank GBLs, the Operations element will obtain the recommendation of the appropriate TMA for projected GBL usage rates for a 90-day period. Following entry of the assigned GBL numbers into the GOBIL, the block of GBLs will be forwarded to the contractor together with DLA Form 595a, Receipt for Accountable Form(s) by Non-DLA Recipients. DLA Form 595a requires acknowledgment of receipt by the contractor.

i. Prepaid CBLs. FAR 42.1403-2 authorizes use of prepaid CBLs to domestic destinations in F.O.B. origin contracts within specific limitations. When economically or otherwise justified, the TO may invoke this authority by shipment, contract, or contractor. Specific authority and guidance will be provided to the contractor by letter. At the same time local arrangements should be made with the Finance Officer and other appropriate parties as to the type and frequency of notification needed to keep all informed. Appendix B displays a sample notification.

j. Air Shipment Challenge. Upon receipt of a DD Form 1659 bearing a TP1 or TP2, the Freight Rate Specialist will review for the need to ship by air. If the following conditions are present, the specialist will contact the requisitioner, Program Manager, or PCO to determine the need for movement by air:

(1) The RDD, if cited in the contract, has passed.

(2) Six months have expired from the issue date of the contract.

(3) It is known from past experience that the priority requiring air shipment is questionable.

Procedure A contractors are also required to evaluate the need for air challenge and notify the cognizant transportation office when a condition for challenge is present. The Traffic Management Specialist will respond to such notification by immediately contacting one of the parties mentioned above and advising the contractor of the decision.

2. Export Shipment Procedures and Documentation. Movement of cargo through terminals for overseas destinations requires a high degree of coordination in scheduling and close attention to data accuracy if the entire shipment cycle is to proceed in a fluid manner. Failure to abide by processing instructions as found in DLAR 4500.3 and DoD 4500.32-R contributes to delays at terminals and, ultimately, may result in late receipts by consignees or the loss of cargo. Since the export process depends in large measure on the planning phase, the necessity for timely, accurate data must be emphasized to contractors.

a. TCMDs. Like GBLs, the TCMD is ordinarily initiated by the contractor's submission of the DD Form 1659 (or, for lumber shipments, by receipt of the DD Form 250, Material Inspection and Receiving Report). Upon receipt of the contractor's application for export clearance, the FRS/assistant will:

(1) Review data in conjunction with the applicable contract(s).

(2) Utilize a shipment planning worksheet to construct required data, including any necessary computations for weight, cube, and shipment dimensions. Care should be taken to properly transcribe or develop the TCN and assign the partial shipment code for continuous shipment against the same TCN. It is important that the requisitioner's DoDAAC be used in construction of the TCN for MILSTRIP requisitions.

(3) Obtain air clearance, when appropriate.

(4) Prepare and submit DD Form 1086, Export Traffic Release Request—Part 1 Basic Request, when appropriate.

(5) Prepare and forward DD Form 1384 to the shipper, if required, and/or DLA Form 359 with appropriate instructions. When air clearance or an ETR is involved, instructions to contractors will await receipt of these clearances. In some instances, urgency of movement may require transmission of data to the shipper by telephone.

(6) Submit TCMD data to the appropriate WTCA, SSCO, or ACAF by AUTODIN, electrical message, or telephone. The VAMPS is the normal channel for entering TCMD data into the AUTODIN. Batch entry takes place at each DCASMA. Batches are transmitted directly to the region mainframe which adds the proper AUTODIN header and trailer and produces printed reports of transmitted data for both the DCASR and DCASMAs. The mainframe produces a 7-track tape used to transmit the AUTODIN message. In addition to routing TCMD data to water ports, VAMPS provides information to Air Force CCPs and the Army Logistics Intelligence File for export shipments of vehicles funded by the Army.

(7) Ensure that appropriate control numbers, registers, and suspense files are maintained.

b. Export Traffic Requests. Shipments meeting the criteria of DLAR 4500.3 require release authorization to accomplish the CONUS portion of the move to the appropriate terminal. Prior to examination of the contractor's application and verification of contractual terms, the application will be entered into a control register with an assigned identification number. Subsequent action will be taken as follows:

(1) Data will be developed and assembled on a planning worksheet with all necessary computations made to provide the releasing authority as clear a description as possible. DD Form 1086 should be used for this purpose.

(2) Transmission capability and urgency of shipment will indictate the appropriate mode by which ETR data are forwarded to the releasing authority-AUTODIN, electrical message, mail, or telephone. The VAMPS provides input to the AUTODIN in the same manner as TCMDs. Input screens designate the required data for ETR requests. A copy of transmitted data is provided by VAMPS.

(3) Upon receipt of the ETR, the Traffic Management Analysis branch will review the data for possible challenge action.

(4) The contractor will be provided with GBL(s), other shipping documentation, as appropriate, and/or instructions incorporating all necessary information and guidance. A copy of all completed actions is retained in the branch GBL file.

c. Military Air Eligible Requests. When application for export shipments by military air is received, the usual administrative actions are taken, such as entering the application in the control register and assigning an identification number. Verification of air eligibility must be made. The FRS requests air clearance from the appropriate SSCO or other designated contact point and suspenses the request for subsequent decisions. When clearance is received, shipping documentation and/or instructions will be conveyed to the contractor.

d. Parcel Post. Export parcel post shipments will be forwarded on a prepaid basis with the contractor reimbursed for mailing costs. Sources for proper address information are DoD 40.25-D (DoDAAD), DoD 5105.38-D (MAPAD), and USPS address regulations. Do not use UPS for shipments to an APO/FPO.

3. Shipment Consolidation. A strong consolidation program is a mark of quality in traffic management. There are several ways to develop and maintain a healthy program. Incoming DD Forms 1659 provide immediate opportunity to combine shipments. Organizing DD Forms 1659 workload by destination will simplify this process and allow FRSs to maintain control. Identifying shipping patterns (particularly Procedure A) conducive to consolidation is an approach to be taken. This is a function of the TMA and can be carried out through contract review, GBL evaluation, and analysis of GOBIL reports.

a. The traffic manager can combine shipments in a variety of ways. The list below suggests a number of these methods but it should not be viewed as all-inclusive. Most items apply equally to Procedure A and B contractors. Consolidation can be achieved by:

(1) Combining shipments from one or more contracts.

(2) Mixing Government freight with the contractor's commercial cargo.

(3) Consolidating movements from other contractor plants.

(4) Including freight with shipments from other Government activities.

(5) Using packaging firms.

(6) Participating in carrier programs, e.g., aggregate plans put forward by freight forwarders, truck pickup and consolidation programs, and similar efforts.

(7) Employing the stopoff privilege in conjunction with shipments between or among DCASMAs within or between/among DCASRs. Effort should be made to combine shipments with those from other government activities as well.

(8) Increasing the number of trailers for TOFC service if possible.

(9) Assembling numerous parcel post mailings into one freight shipment.

b. DCAS TOs will coordinate with other Government activity TOs including other DCASMA TOs whose geographical location relative to rate structures and DCASMA origin/destinations make them prime candidates for mutually beneficial consolidation. Major shipment destinations, normal shipping schedules, and other necessary information should be exchanged periodically to facilitate the consolidation effort.

c. Air Force Consolidation/Containerization Point (CCP). The Air Force currently operates two CCPs, one at Robins AFB for shipments to Europe, the other at McClellan AFB for cargo moving to PACAF. Eligible cargo must satisfy the requirements described below:

(1) Priority. IPD 9-15 or IPD 1-8 cargo diverted after challenge.

(2) Weight. Shipment weight limitations depend upon Service/Agency criteria as listed below. Shipments to the CCP may exceed 9,999 pounds provided that no individual piece in the shipment unit exceeds 9,999 pounds. Parameters for weight of individual pieces are:

(a) Air Force — 71 to 9,999 lbs.

(b) DLA — 50 to 9,999 lbs.

(3) Dimensions. Each shipment unit must exceed parcel post dimensions. Maximum dimensions are 228" long X 85" wide X 85" high. Shippers who have material exceeding the specified height dimension but not exceeding 98" should contact the CCP to determine if the destination can be served with high cube containers.

(4) Shipments which meet CCP priority, weight and dimension criteria must be one of the MILSTAMP water commodities listed in DoD 4500.32.R, Vol. 1, B-13, except for the following categories:

CARGO	COMMODITY CODES
(a) Reefer [1]	100-199
(b) Arms, ammunitions, explosives hazardous items [2]	400-433, 490-499, 680-685
(c) Controlled substance	532, 533, 537, 540-542
(d) Bulk cargo, unpacked, dry or liquid	200-299

(5) Type of cargo. Cargo code (DoD 4500.32R, Vol. 1, B-14) must be one of the following: E, G, M, N, O, P, R, T, V, W, X, Y or Z.

(6) Destination. To be eligible for the CCP the shipment must be destined for one of the DoDAACs cited in appendix E.

(7) Documentation. MILSTAMP procedures apply for movements to the CCPs. VAMPS will be used to transmit TCMD data to the appropriate CCPS so as to arrive no later than two days prior to the estimated arrival date of the shipment. The CCPs will accept RU shipments when shipping activities are not able to stuff at source. Domestic route orders should be obtained when the shipment unit is 10 pounds or greater. DCASMAs/contractors should inform the MTMC Area Command of movement to the CCP when requesting a route order release.

d. DCASMA TOs will assure that all contractors within their cognizance are aware of the VECP concept, as it applies to transportation, and of the benefits they may derive from its use.

3-312 SHIPMENTS VIA USPS AND UPS

A. Purpose. This part provides policy and guidance for the movement of material via UPS and for the transmittal of mail freight through the United States postal system. It is applicable to shipments moving against DCAS-administered contracts; it supplements DLAR 5325.1, Official Mail, and implements pertinent sections of DLAR 4540.7, Use of United States Postal Service for Materiel Movement.

B. General

1. The USPS and UPS provide acceptable modes of transportation for the movement of material meeting the requirements of the respective Military Services and DLA. Within this framework, it should be noted that UPS provides tracing and proof of delivery services while USPS does not unless special mail services are utilized (subparagraph 4 below provides guidance on special mail services). USPS and UPS will be utilized for shipments under DCAS-administered contracts when completed shipment units meet their respective shipment criteria and when they provide the most effective and economical mode of movement commensurate with military necessity. Automatic use of USPS and UPS based on size and weight factors without full exploration of the feasibility of performing consolidation for movement by mail, UPS, or other modes of transportation is prohibited. Conversely, order quantities and consolidated shipment units will not be divided into mailable parcels or parcels meeting UPS criteria for the express purpose of avoiding movement by other transportation modes.

2. DLAR 4145.11, Safeguarding of Sensitive, Drug Abuse Control, and Pilferable DLA Items of Supply, prescribes guidance relative to use of

[1] All DLA medical shipments will be forwarded to the CCP's except reefer cargo.

[2] Hazardous cargo to Turkey, not otherwise listed under commodity codes above, is not eligible for CCP movement.

USPS for small shipments of the above items and restrictions on the use of USPS for shipments of controlled substances to MAP countries. Refer as required to similar regulations of the Military Services governing or restricting use of USPS for specific specialized commodities for applicable guidance.

3. Classified material will be prepared for parcel post movement in accordance with DLAM 5205.1, Safeguarding Classified Information. (Such material will not be moved via UPS).

4. Special Mail Services

a. Use of special mail services such as Registered, Certified, Insured, Special Delivery, Special Handling, Certificates of Mailing, Return Receipts, and Restricted Delivery will be limited to those instances specifically required by law, DoD Directive, DLAR 5325.1, DLAR 4145.11, or to similar applicable regulations of the Military Services governing transmission of particular commodities. Special mail services will not be used for any purpose other than as specified above unless a written request for waiver is submitted to and approved by HQ DLA, ATTN: DLA-AT, prior to movement. Special mail service will not be used for the sole purpose of providing a record of mailings, delivery, or means of tracing unless such is in connection with specific conditions set forth in above limitations. They will not, for example, be used for correspondence concerning accountable forms or other shipments, or for returning receipts to the sender for accountable forms on the erroneous theory that certified mail must be answered by certified mail.

b. WSPS has been discontinued.

C. Procedures

1. Postal (USPS)

a. When shipment meets the size, weight, and distance limitations prescribed by the USPS and are candidates to move through the postal system, the shipment methods to be used are:

(1) Prepaid Postage. All contractors except printing contractors will prepay postage and add the cost of the postage as a separate item to the invoice as specified and authorized in FAR 42.1404. Use of indicia items by nonprinting contractors is not authorized. Deviation from this FAR requirement is discouraged; however, deviation requests shall be processed as specified in FAR 1.4. If a deviation is granted, the requesting Department must satisfy the USPS permit requirements and provide the cognizant DCAS office with sufficient indicia items to satisfy the contract shipping requirements to completion. The indicia items provided will meet all preprinting and preaddressing requirements of the USPS Manual, Item 137.25, Reply and Contractor Use. Such preprinting will include the proper permit imprint number; the return address of the cognizant DCAS activity or mutually agreed upon Government element, not the address of the contractor; and, to assure proper postal cost application, the U. S. Government agency number of the requesting department/agency, not the DLA agency number unless DLA is the requesting agency. When such indicia items are provided they will be controlled in the same manner as prescribed in subparagraph (2) (b) below. Indicia items determined as excess at contract completion/termination shall be returned to the requesting department/agency.

(2) Permit Imprint Indicia Items. FAR 42.1401-1 (b) authorizes printing contractors to use permit imprint indicia items. In addition to the authorization stated in FAR 42.1404-1 (b), such administrative use on DCAS-administered contracts will be in accordance with the conditions previously stated in subparagraph (1) above relating to deviations from "prepay and add" and with subparagraphs (a) and (b) following.

(a) Use of Permit Imprint Indicia. The T&P element is the focal point within DCAS for control and issuance of indicia items. Only TOs, their agents, and such other personnel as may be designated by the CTO are authorized to provide contractors with appropriate indicia items for use on mail freight shipments.

(b) Control of Permit Imprint Indicia. When mail freight (parcel) shipments meet the above criteria, the DCAS TO will determine if postal indicia offer the most effective/economical transportation mode. If so, the TO will issue indicia items to contractors via either U.S. Mail or the QAR. Proper and effective controls will be established by the TO to administer and account for issued indicia as follows:

1. Determine the number of indicia items required by the contractor for a specific time period.

2. Issue to the contractor and record the number of indicia items provided.

3. Obtain receipt from the contractor for indicia ssued.

4. Assure the contractor institutes an internal indicia control/accounting procedure to verify to the TO individual indicia item usage in accordance with contractual provisions. A locally developed form or an indicia register similar to a GBL register is acceptable. However, the following minimum data must be reported:

a. Origin/Destination.
b. Type of service.
c. Weight.
d. Total charges.
e. Date shipped.
f. Contract Number.

5. When the contractor requests replacement indicia, assure that indicia previously issued to the contractor have been satisfactorily accounted for by the contractor prior to issuing replacements.

6. When accurate determination of total contractor requirements at the outset is not feasible and replacement indicia items are requested by the contractor, determine that the indicia previously issued have been satisfactorily accounted for by the contractor prior to issuing replacements.

7. Indicia items placed with a contractor will be withdrawn at contract completion/termination when the contractor has no concurrent or potential contracts requiring indicia items. Upon withdrawal, reconcile amount used and amount returned versus amount issued. Resolve all variances including voided or lost indicia items and return excess indicia items to the requesting department/agency.

8. Establish liaison with contractor's cognizant transportation or shipping office and educate contractor personnel in:

a. Proper and authorized use of indicia items.

b. Accounting for all indicia terms including those lost or voided.

c. Recognizing the office of T&P as the focal point for indicia items issuance.

d. Increased DCAS and USPS interest in proper and authorized indicia item utilization practices.

9. When determined necessary, monitor contractor as required to determine compliance with DCAS and USPS indicia item utilization requirements.

b. Consignment

(1) Domestic parcel post will be addressed to the ultimate consignee and not to, or in care of, the Destination Transportation Officer, or other activity officer, marked for the ultimate consignee.

(2) Overseas parcel post will normally be addressed to the ultimate consignee in care of an Army or Navy (Fleet) post office and not to, or in care of, a TO or other activity officer at a CONUS water or aerial terminal for intermediate processing or consolidation and transshipment as cargo. When movement through a CONUS POE or APOE is required by separate guidance, consignment and port clearance instructions will be contained in the individual guidance.

(3) Guidance relative to classes of mail service, i.e., First Class, Fourth Class, MOM, etc., is contained in DLAR 5325.1 and DLAR 4540.7.

c. Marking. Marking and addressing of parcel post packages will follow Military Standard 129, DLAR 5325.1, DLAR 4145.11, and DLAR 4540.7.

2. UPS

a. UPS is a mode of shipment which generally offers superior service in the handling of small packages to most points in CONUS. The use of this service on a "prepay and add" basis may be effected when contractors employ UPS for their commercial shipments and are willing to absorb the UPS pickup charge. Except for the pickup charge, economical shipments can be made by UPS especially when such factors as timeliness of delivery and incidence of damage are taken into consideration.

b. If the contractor is agreeable to the use of UPS for Government shipments on the above described basis, the DCASR Finance Officer's approval should be obtained prior to formalizing an agreement with the contractor. Such an agreement should be based upon the authority of FAR 42.1403-2 which permits the use of prepaid CBLs on F.O.B. origin shipments when warranted. Therefore, all applicable provisions of that paragraph will be identified for the contractor and included in the agreement. Copies of the resultant agreement will be provided to all interested parties, i.e., contractor, ACO, Comptroller, and the QAR, if appropriate. It is emphasized that line haul charges, not pickup charges, will be reimbursed. Most importantly, UPS should be used only when transportation cost advantage to the Government can be demonstrated.

3-313 FOREIGN MILITARY SALES SHIPMENT SUPPORT

A. Purpose. This part provides instructions for FMS shipments from contractors' facilities when such shipments result from DCAS-administered contracts.

B. General. FMS shipment processing differs somewhat from regular export shipments due to the nature of FMS transactions and the special transportation arrangements sometimes required by foreign governments. With DoD's continued emphasis on accurate FMS accounting, the technical specialist must often sort out a confusing array of transportation and financial requirements. It is important that these requirements be firmly e tablished and clearly identified prior to issuing shipping instructions to the contractor.

C. Procedures. Basic direction can be obtained from DoD 4140.17-M (MILSTRIP), DoD 5105.38-M (MASM), DoD 5105.38D (MAPAD). The procedures described below address areas of concern not completely covered by the publications just mentioned.

1. Given the 15-day leadtime required for NOAs, the contractor should submit the DD Form

1659 approximately 18 days before material is available for shipment.

2. Notice of Availability

a. When the Option code (card column 46) so dictates, the Transportation office or the contractor must forward a NOA to the designated CR/FF. Authorization to transmit NOAs may be given to the contractor only when he/she possesses the technical knowledge and the shipment in question does not involve classified, hazardous, or sensitive material. When submitted directly to the CR/FF by the contractor, a copy must be furnished to the DCAS Transportation office. A mechanized NOA should not be handled by the contractor but should be sent by the Transportation office to any country requiring it. The manual NOA may be submitted using DD Form 1348-5, Notice of Availability/Shipment.

b. It is permissible, however, in instances when the established form is not available to use a letter/TWX format containing the following data:

(1) Contract number(s).

(2) Line item number and nomenclature.

(3) Name and location of actual shipping activity.

(4) Freight classification description.

(5) Number and type of shipping containers (boxes, crates, pieces).

(6) Total weight and cube of shipment (if estimated, so indicate).

(7) Date material will be available for shipment.

(8) FMS case designator.

(9) Requisition number(s).

(10) Total value of shipment.

(11) Request for shipping instructions by availability date.

c. When it becomes evident that a shipment will not be made within the time frame specified by the designated agent, or if instructions have not been received by the availability date cited in the NOA, the contractor will notify the CTO immediately. TOs will initiate follow-up action to secure appropriate instructions from the designated CR/FF.

3. Shipping documentation and accountability of transportation funds may vary depending upon Service policy, size of the shipment (i.e., freight versus small parcel) and DTC. The decision table on page III-25 offers appropriate solutions to a series of conditions. Note that a particular solution may not exclude other possibilities under given circumstances. For example, while the table designates a GBL for a freight shipment under DTC 2, use of a CBL for conversion to a GBL may not be inappropriate.

4. Small Parcel Shipments. Sound traffic management should govern the movement of FMS small parcels. Specifically, the following guidance pertains:

a. Small parcels normally shall be moved by surface or air carriers dedicated to parcel shipments. Selection of a carrier depends upon several factors:

(1) Service. The carrier delivers within the prescribed time frame.

(2) Cost. The lowest cost carrier can provide the required service.

(3) Audit Trail. The carrier selected should offer evidence of shipment and tracing capability. Some carriers provide these services at no additional cost.

b. Shipments of classified, sensitive, or hazardous items by commercial small package carriers are not authorized. Classified and some sensitive items may move by USPS but they must be shipped in accordance with governing security regulations. CONUS recipients of classified parcels are designated in the MAPAD.

c. The U. S. Air Force has established a policy for small parcel shipments.

(1) Shipments will not be tendered to the USPS but will move by other air or surface modes, including commercial small package carriers, depending upon transportation priority.

(2) All MICAP items will move by commercial air on a collect CBL.

d. Prepaid Shipments. TOs may authorize contractors to prepay transportation charges under all DTCs against contracts issued by the military services and DLA. However, this authority is limited for DTC 4 in that prepayment applies only to shipment under mode codes G, H, and 5. No other mode is eligible under DTC 4. Since monies expended by the U. S. Government for reimbursement to the contractor under DTC 4 must be recouped by SAAC from the account of the foreign country, it is critical that contractors properly identify FMS data and the mode code on the DD Form 250 or other invoice documentation.

e. Collect Shipments. When sending shipping instructions to contractors to effect the movement of security assistance material to foreign freight forwarders on collect CBLs, transportation officers will notify the contractor to sign the no recourse clause that appears on the face of the collect CBL. This clause states that "subject to Section 7 of the contract terms and conditions, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement: The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges." If the contractor does not sign the statement, he can be held liable for freight charges when the

carrier cannot collect from a consignee. Likewise, if a DCASMA does not notify the contractor to sign the statement, the contractor's liability can be passed on to the Government.

5. In generating FMS movements DCAS abides by the DTCs (cc 34) as listed in MILSTRIP appendix B21. DTC 4 (F.O.B. origin) ordinarily means that a freight shipment will move on a collect CBL. Stock fund purchases include a surcharge for transportation in the FMS material price. Given this arrangement, stock fund shipments moving under DTC 4, in effect, would penalize the customer by requiring double payment for transportation. Army and DLA purchase FMS

DECISION TABLE FOR FMS TRANSPORTATION

IF THE CONTRACT IS ISSUED BY	AND THE SHPMT IS FREIGHT	OR THE SHPMT IS SMALL PARCEL	AND THE DTC IS 2, 3, 5, 6, 7, 8, or 9	OR THE DTC IS 4	THEN THE SHIPPING DOCUMENT ORDINARILY SHOULD BE	AND THE TRANSPORTATION ACCOUNTING CLASSIFICATION SHOULD BE	AND PAYMENT METHOD SHOULD BE
ARMY	YES	NO	YES	NO	GBL	OMA	GBL
ARMY	YES	NO	NO	YES	GBL (FOR FDT) CCBL (FOR SDT)	OMA (FOR FDT ONLY) NONE (FOR SDT)	GBL (FOR FDT) COLLECT (FOR SDT)
ARMY	NO	YES	YES	NO	COMMERCIAL FORM	NONE	PP&A
ARMY	NO	YES	NO	YES	COMMERCIAL FORM	NONE	PP&A (MODE CODE: G, H, 5)
NAVY	YES	NO	YES	NO	GBL	TRUST FUND	GBL
NAVY	YES	NO	NO	YES	CCBL	NONE	COLLECT
NAVY	NO	YES	YES	NO	COMMERCIAL FORM	NONE	PP&A
NAVY	NO	YES	NO	YES	COMMERCIAL FORM	NONE	PP&A (MODE CODE: G, H, 5)
AIR FORCE	YES	NO	YES	NO	GBL	TRUST FUND	GBL
AIR FORCE	YES	NO	NO	YES	CCBL	NONE	COLLECT
AIR FORCE	NO	YES	YES	NO	COMMERCIAL FORM	NONE	PP&A
AIR FORCE	NO	YES	NO	YES	COMMERCIAL FORM	NONE	PP&A (MODE CODE: 5)
DLA	YES	NO	YES	NO	GBL	TRUST FUND	GBL
DLA	YES	NO	NO	YES	CCBL	NONE	COLLECT
DLA	NO	YES	YES	NO	COMMERCIAL FORM	NONE	PP&A
DLA	NO	YES	NO	YES	COMMERCIAL FORM	NONE	PP&A (MODE CODE: G, H, 5)

NOTE: The guidance provided in this chart is not absolute, i.e. other procedures may be acceptable for given conditions

material under stock fund accounts. DLA deducts the cost of transportation from the material price and, as a result, authorizes a collect CBL. Army, on the other hand, excludes the cost of transportation from the material price only for stock fund SDT, not for FDT. Army policy then is to use a GBL for FDT freight shipments and a collect CBL for SDT.

6. To obtain detailed accounting data with respect to transportation costs connected with FMS shipments via GBL, the Comptroller of the Army requires annotation of estimated transportation charges for individual FMS cases designated in specific contracts. When processing GBLs for Army FMS shipments, it will be necessary to annotate the bill of lading with the appropriate contract line or subline item number(s) applicable to the items shipped under the case number(s). A suggested format:

Case VHY:0006 and 0014
Case ULZ:0013AA and 0013AC.

It should be noted that this requirement applies to shipments direct to freight forwarders and those to an intermediate consignee (e.g., a contractor plant for final assembly) whenever such shipments are designated FMS. Ordinarily, the MARKS block on the GBL should contain the added notation.

7. With the exception of DTC 4 for Army FDT, FMS shipments moving on GBLs cite only one appropriation: 9711X8242.L009 8401 (*) (**) (***) GBL S843000. Army FDT shipments against DTC 4 will use the normal OMA appropriation for each Material Readiness Command.

*FMS Country Code
**Implementing Agency Code
***Case Designator Code

8. Section 10721 (formerly Section 22) rates do not apply and should not be used on any FMS shipment. The GBL must be annotated: "Foreign Military Sales shipment. Do not apply Section 10721 rates."

9. DCAS TOs will promote suitable coordination with ACOs and other functional elements in conjunction with FMS contracts. Of particular importance is the need to provide Comptroller with a copy of any authorizing instruction or memorandum (DLA Form 359, DD Form 1659, or local forms) to permit automatic acceptance of invoices when contractors are authorized to prepay freight or small parcel charges and subsequently bill the Government.

3-314 PASSENGER TRAVEL

A. Purpose. This part provides guidance and procedures for processing duly authorized travel requests and other documentation for the official travel of contractor personnel. The DCASR/DCASMA Office of Installation Services is responsible for arranging official travel for DoD employees and dependents. Commanders may appoint "Transportation Officers with Limited Authority" to perform the function in the office of Installation Services.

B. General. Travel by contractor personnel must be in response to contractual requirements. It is the ACO's responsibility to assure that contractor travel is necessary, proper, and completely applicable under the contract(s) cited. The ACO will approve contractor travel before the transportation element makes any transportation arrangements.

C. Procedures

1. Regulatory Basis. In receiving and processing requests for contractor travel, DCAS transportation elements will be governed by the provisions of the JTR, and DLAR 5000.1, Travel. DLAR 4500.3 should be consulted with respect to such matters as the control and issuance of GTRs, the routing of passenger groups, and participation in bulk ticket purchase plans. AFR 76-16, MAC Transportation Authorization (MTA), should be consulted for information relative to accountability, control, description, function, preparation, use and distribution of the MTA, DD Form 1482. All international air transportation of contractor or subcontractor will comply with Public Law 93-623 which requires use of U. S. flag air carriers when available. (See FAR 47.4)

2. Contractor travel. Travel by contractor personnel will take one of two forms in terms of procedure: selected contractors with prepositioned GTRs/MTAs and those contractors without such GTRs/MTAs. In either situation, for a revenue GTR/MTA to be used, a specific passenger transportation appropriation chargeable must be specified in the contract. If it is not cited, the TO must obtain the fund cite from the PCO.

a. Prepositioned GTRs/MTAs

(1) Under special circumstances when it is clearly advantageous to the Government and when it is authorized in the contract, signed GTRs/MTAs may be prepositioned with selected contractors subject to review and evaluation as specified in paragraph 3-305 above.

(a) For domestic contractor travel, the TO will establish procedures to control the issuance, control, and reporting requirements for prepositioned GTRs/MTAs. Memorandums of Understanding (MOUs) should be developed and signed by the involved parties to set forth the terms of agreement under which the GTRs/MTAs will be prepositioned and accounted for. MOUs will be coordinated with the local counsel's office.

(b) For foreign contractor travel, all above requirements apply and GTR/MTA preposi-

tioning does not eliminate the requirement for completing the DLA Form 437, Request for Authorization for Overseas Travel-Contractor Personnel, in the manner prescribed in the succeeding paragraph. In cases of emergency or other unforeseen situation necessitating immediate contractor travel, however, authorization for travel may be obtained from the ACO and notification of the DCASR transportation office may be accomplished via telephone prior to processing the DLA Form 437. Actions on overseas travel will be accomplished in the same manner as that discussed in paragraph 2b(1)(b) below except that the contractor will issue the GTR/MTA and arrange for an appropriate mode of travel in lieu of the DCAS transportation office doing so. The contractor will then forward appropriate copies of the GTR/MTA to the DCAS transportation office as specified in subparagraph 2c below.

b. Non-prepositioned GTRs/MTAs.

(1) For contractors not having prepositioned GTR/MTA privileges, contractors shall request GTRs/MTAs as needed.

(a) For domestic travel, the TO will establish procedures for requesting GTRs/MTAs. As a minimum, all information necessary for the TO to complete the GTR/MTA must be provided by the contractor plus any additional information necessary to maintain an adequate audit trail.

(b) For overseas travel, requests for GTRs/MTAs will normally be initiated by the contractor in completing part 1 of DLA Form 437. This form will be forwarded in duplicate to the ACO (concurrently with a request to the DISCO for visit authorization and verification of the employee's personnel security clearance) at least 20 days prior to the commencement of travel. Upon receipt of DLA Form 437 from the contractor, the ACO completes part II and if travel is to be performed by GTR, forwards the original to the supporting transportation element for completion of travel arrangements. The TO or his/her agent will determine the appropriate mode of travel and issue either SF 1169, U. S. Government Transportation Request, for proper category of movement or regular commercial air service, or DD Form 1482, and complete part III of the DLA Form 437. The DLA Form 437 will be distributed according to contract instructions or as the TO may determine if none appear in the contract. Copies provided the traveler will be accompanied by the GTR(s)/MTA(s) together with information and/or forms covering identification, status, passport, immunization, and reporting requirements. A copy of the completed DLA Form 437 will be forwarded promptly to the ACO to indicate that action on the contractor's request for overseas travel has been completed.

c. DCAS activities will distribute GTR and MTA original and copies as prescribed in DLAR 4500.3 and AFR 76-16 respectively and/or effective changes thereto. Contractor distribution of GTR/MTA original and copies will be prescribed by the cognizant DCAS activity.

3. Use of Discount Airfares by Contractor Personnel (overseas and domestic). The General Services Administration (GSA) negotiates contracts with air carriers for reduced fares between specific city pairs for Government employees. Many airlines also authorize use of these fares by contractors performing under a cost reimbursable contract for the Government. Information on carriers participating in this program along with the city-pairs and contract fares is contained in the Federal Travel Directory published by the Government Printing Office. Copies of the directory can be obtained by calling the Superintendent of the Documents at (202) 783-3283. Airlines may require a GTR or an official letter of authorization before granting the discount airfares to contractors.

a. To meet air carrier's GTR requirements for contractor use of city pair reduced rates, TOs may establish non-revenue GTR accounts with appropriate parties (travel agents, SATOs, etc.) to permit contractor travel to be paid from contract funds as has been the normal procedure prior to city pair use. A separate passenger transportation appropriation is not needed for this arrangement as would be needed when issuing revenue GTRs.

(1) TOs should work with the contractors and their travel agents in this regard and not dictate specific travel agents that contractors must use to effect city pair implementation. Many contractors may have prior contractual arrangements with travel agents they use for their commercial work and these commitments should not be jeopardized. When this approach is used, it is imperative that an audit trail be maintained and that individual detailed MOUs be developed, fully coordinated within the local activity (particularly with Counsel), and signed by all interested parties. Because of the variable conditions under which contractors voluntarily agree to participate in the city pair program, MOUs must be unique and individualized to include all the conditions attendant to the agreement. For this reason, we stress Counsel coordination to protect the interests of the Government.

b. GSA Bulletin FPMR A-90, 15 Aug 86, also prescribes general policies and procedures governing the use of discount air fares by contractor personnel traveling under cost reimbursement Government Contracts.

c. DCAS transportation elements will maintain procedures to monitor the use of Standard

Form 1170, Redemption of Unused Tickets, to assure refund receipt.

d. Indirect pool employees may be authorized use of Government contract air fares if those employees charge their time direct to a cost reimbursable contract while on travel status and their travel cost is otherwise reimbursable as a direct cost to the contract. However, the charging of indirect employee effort as direct must be in accordance with the contractor's current cost accounting practice. For non-cost reimbursement negotiated contracts, the contractor is allowed to use Government discount rates for Government authorized travel only when specifically allocable to a cost reimbursement line item. The contractor bears the burden of proof in every instance.

3-315 CUSTOMS CLEARANCE

A. Purpose. This part provides guidance and procedures for issuance of Duty-Free Entry Certificates and U. S. Customs documentation necessary for the importation of DoD material that had previously been exported from the U.S. to foreign countries and is being returned to the U.S. under Item 800.00 of the Tariff Schedules of the United States Annotated (TSUSA). The TSUSA describes item 800.00 as "Products of the United States when returned after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means while abroad."

B. General

1. DoD Regulation 5030.49-R, Customs Inspection, paragraph 5005 a(1) and e, requires that "the Transportation Officer responsible for the area within which the destination or the terminal lies will accomplish the Customs documentation" for articles belonging to DoD imported for further use by DoD as returned products of the United States entitled to free entry under Item 800.00 (TSUSA). Therefore, DCAS TOs may be called upon occasionally to fulfill this responsibility. A Certificate in Lieu of Other Entry Documentation Covering Articles of Returned U.S. Products for Use by the DoD will be completed and provided to U.S. Customs. A copy of this Certificate is at appendix D.

2. The DFARS Subpart 25.6, Customs and Duties, sets forth policies and procedures for excepting from import duty certain supplies that are imported into the United States in connection with Defense contracts. Such supplies are imported under authority listed in Item 832.00 of the TSUSA and are considered "Emergency War Material Purchased Abroad." The responsibility for issuing Duty-Free documentation to U.S. Customs for these contractually related imported supplies, regardless of foreign origin, is assigned exclusively to DCASR New York. Therefore, guidance for issuing contractually related Duty-Free Certificates has been issued separately to DCASR New York. No other DCAS activity has involvement in this process except to provide a support role to DCASR New York Customs-related inquiries.

3-316 TAXES—PROOF OF EXPORT

A. Purpose. This part provides guidance and procedures for certifying Federal excise tax exemption status to the U.S. IRS on exported supplies as prescribed in FAR 29.202.

B. General. It is DoD policy to take maximum advantage of all exemptions from Federal excise taxes available to the United States and its contractors when it is economically feasible to do so. FAR part 29 provides general information and instructions on contract related taxes and tax exemptions. Exported supplies are exempt from both retailers' and manufacturers' excise taxes; however, proof of export must be furnished to the contractor who in turn uses the proof of export to obtain a tax exemption on the exported supplies from the IRS. It is the TO's responsibility to certify the tax exempt status of the exported supplies to the IRS by executing the certification as prescribed in subparagraph C2 following and forwarding it to the contractor.

C. Procedures

1. The IRS has approved a simplified procedure for use by DCAS offices in providing proof of export to contractors performing under DoD contracts. Under this procedure a DD Form 250, GBL, or CBL bearing a certification executed by the official who dispatches the shipment is acceptable as proof of export for IRS purposes. It is no longer necessary to obtain actual export manifest data from MTMC to satisfy this certification requirement.

2. Since all the information necessary to provide proof of export is normally readily available to the TO, this certifying and executing function is the responsibility of the TO cognizant of the plant from which the shipment originates. When subassemblies manufactured by contractors at several different locations are forwarded to a specific contractor for final assembly, the TO cognizant of the contractor shipping the final product will perform the certifying and executing functions. The cognizant TO will assure the following statement (typed, rubber stamped, or otherwise shown) appears on the applicable invoice/shipping document for shipments scheduled for export:

I certify that the articles listed on this document were exported in due course prior to use or further manufacture and prior to resale in the United States other than for export.

Manufacturer's Name and Address

Invoice Number
Bill of Lading Number
Signed
(Certifying Official—Title)

A copy of the document bearing the certification will be forwarded to the contractor for use as proof of export for tax purposes.

3. In cases of lost or destroyed shipments, the TO will inform the ACO of the deficit and the ACO will assure that the contractor's records are adjusted to reflect a reduction in the number of articles subject to excise tax exemption. Additionally, the ACO should coordinate with the PCO to assure the contract price is adjusted accordingly.

4. To permit the U.S. Government to avail itself of the optimum number of tax exemptions applicable supplies (particularly vehicles) destined to CONUS destinations (depots, storage sites, etc.), for use, additional processing, or storage, with the prospect of possible export prior to expiration of the allowable export time period authorized in FAR, part 29, will be processed as follows:

Shipping documentation for supplies to CONUS destinations will prominently display a notice alerting the recipient that subsequent export of, or intention to export the supplies within the allowable time period specified in FAR, part 29, should be reported promptly to the cognizant DCAS TO so that excise tax exemptions applicable to the supplies may be obtained from the IRS.

3-317 TERMINAL FACILITIES GUIDES: Terminal Facilities Guide data is needed for each contractor that receives freight from DoD activities as GFE or GFM on a regular basis, including those performing repair and overhaul functions. Data will be submitted direct to Headquarters, MTMC, ATTN: MT-INM, using the prescribed forms. One copy of each submission must be retained in the Contractor Performance File. When changes occur, revised data should be forwarded promptly to assure currency of the Guide.

PART 4—IMPLEMENTATION MEDIA

3-400 PURPOSE. The purpose of this part is to provide guidance in the effective utilization of documentation, mechanized procedures and products, and forms.

3-401 GENERAL. Success in accomplishing the Transportation and Traffic Management aspects of the contract administration mission is dependent, in large part, upon the knowledgeable use of available tools. The thorough exploitation of reference works, automated data products, and standard forms will impact in a positive fashion upon the professionalism of Transportation elements. It is anticipated that the need for reliance upon automated data products will increase as, with the passage of time, more aspects of the Transportation/Traffic Management mission are mechanized.

3-402 DOCUMENTATION. In addition to the official regulations, directives, manuals, and handbooks referenced in this manual, each DCAS transportation element is encouraged to acquire and maintain a technical reference file. This file should encompass federal publications, professional guides and handbooks and commercial journals. While not all of the publications need be physically retained in the Transportation element, access to such documents in a central library at the DCAS activity should be ensured.

A. Guides and handbooks. The following documents, published by public or private entities, are of two varieties. Some are essential for the performance of DCAS Transportation functions while others are merely desirable. In addition, certain publications are cited as being illustrative of a type. Identical data may be available from other documentary sources. DLAR 4500.3 cites a more extensive list of publications.

1. Essential Publications. While the following listing is not comprehensive, it indicates the types of basic reference tool which is necessary in DCAS Transportation offices. Some DCASMAs may not have sufficient need to justify procurement of some of these publications. The DCASR TO may authorize exceptions to the list of essential publications, providing the exempt publications are available for reference in the Region Transportation office.

a. Association of American Railroad. Rules for Loading Open Top and Closed Cars.

b. Association of American Railroads. Uniform Freight Classification.

c. Civil Aeronautics Board. Official Air Transport Restricted Articles Tariff No. 6.

d. Code of Federal Regulations, Title 49, Parts 100-199.

e. Defense Logistics Agency. Terminal Facilities Guide (DLAH 4510 Series).

f. Defense Logistics Agency. Preparing Hazardous Materials for Military Air Shipment (DLAM 4145.3).

g. Department of Defense. DoD Hazardous Materials Information System, Hazardous Item Listing (DoD 6050.5-LR), Microfiche.

h. Department of Defense. DoD Activity Address Directory (DoD 4000.25-D), Microfiche.

i. Department of Defense. Joint Travel Regulations.

j. DoD Industrial Security Regulation (DoD 5220.22-R).

k. DoD Industrial Security Manual (DoD 5220.22-M), Carrier Supplement (DoD 5220.22).

l. Department of Transportation. D.O.T. Exemptions (SELECTIVE RETENTION).

m. Department of Transportation P5800.3, Emergency Response Guidebook (ERG) for Hazardous Materials Incidents.

n. GSA Federal Property Management Regulation, Subchapter G.

o. International Air Transport Association (IATA) Restricted Articles Regulations (English Edition may be obtained from Labelmaster, 5124 N. Pulaski Road, Chicago, IL 60646-9919).

p. International Maritime Dangerous Goods Code, Volumes I-IV. (May be obtained from Labelmaster, supra.)

q. National Highway Carriers Directory, Inc., National Highway and Airway Carriers and Routes (OR EQUIVALENT).

r. National Motor Freight Traffic Association. National Motor Freight Classification-Classes and Rules (OR EQUIVALENT).

s. Railway Equipment and Publication Company. The Official Railway Equipment Register.

t. United States Postal Service. Postal Service Manual, Chapter I.

u. Defense Logistics Agency. Consolidated Management Data List—ML-C Basic (Microfiche).

v. MOCAS Users Manual for CAS (DLAM 8000.3), Part 6, Transportation and Packaging.

2. Desirable Publications. In addition to those documents identified above as being essential, certain documents are of more than peripheral value in all Transportation and Traffic Management offices. As with the preceding list, the following is not comprehensive.

a. American Trucking Associations, Inc. American Motor Freight Directory Traffic Index (OR EQUIVALENT).

b. American Trucking Associations, Inc. Transportation of Explosives and Other Dangerous Articles by Motor, Rail, and Water.

c. Bullinger's Postal and Shippers' Guide (OR EQUIVALENT).

d. Code of Federal Regulations. Title 49, Part 390-397, Federal Motor Carrier Safety Regulations.

e. Department of the Army. Official Table of Distances (AR 55-60) (OR EQUIVALENT).

f. Department of Defense. DoD Contractors' Safety Manual for Ammunition and Explosives (DoD 4145.26-M).

g. Department of the Navy. Navy Transportation Safety Handbook.

h. Bureau of Explosive's 6000 Tariff, Hazardous Material Regulations of the Department of Transportation.

i. Interstate Commerce Act, as amended.

j. Reuben Donnelley. Air Cargo Guide (OR EQUIVALENT).

k. United Parcel Service. Guide For Shipping Hazardous Materials via UPS.

l. United States Postal Service. Publication 52, Acceptance of Hazardous or Perishable Articles.

B. Commercial Periodicals. Commercial publications relating to transportation and traffic management may be useful as media for self-training and in keeping abreast of trends and development in the transportation industry. Traffic World, Defense Transportation Journal, Traffic Management, and Distribution Worldwide are typical of such periodicals and should be subscribed to by local DCAS activities where resources permit. Traffic World is particularly valuable in that ICC decisions, orders, docket reports and hearing notices are reported therein and, as the magazine is issued weekly, it is possible to remain current on matters affecting DCAS traffic management.

3-403 ADP SYSTEMS APPLICATIONS IN TRANSPORTATION. Today's volume of data threatens to engulf those personnel who must confront, systematize, and manipulate it. As managers attempt to broaden perspectives or gain new insights, data flow tends to increase rather than subside. In the transportation arena, this flow of data demands a system which provides dual control: accurate record keeping and the capability to assimilate meaningful data variables for planning action. Present ADP application in DCAS Transportation embraces only one of the two factors—the organization, recording and display of principal elements of historical shipment information. The GOBIL system captures data from the GBL. In addition, the MIR collects and distributes selected items of workload and performance data for the effective management of T&P in DCAS. Both systems, i.e., GOBIL and MIR, will be treated in the ensuing section.

A. Government Bill of Lading System. GOBIL is an automated record system designed to capture essential GBL data at four key events in the processing cycle: receipt, issue, shipment, and payment. It satisfies record-keeping requirements applicable to these accountable documents, provides timely information needed to support the performance of day-to-day transportation tasks and enables personnel at DCASMA, DCASR, and HQ DLA (DLA-AT) levels to obtain key data for traffic pattern analysis, carrier and contractor performance reviews and other management studies. The following synopsis of GOBIL is not intended as a full review of the system. More detailed information is available in DLAM 8000.3, MOCAS Users

Manual for CAS, Part 6, Transportation and Packaging.

1. General. GOBIL provides for on-line update of the data base, on-line access to certain key information and overnight, on-demand, hard copy reports designed to display only the information needed in formats best suited for supporting the various tasks our management and operational personnel are called upon to perform. There are also several scheduled hard copy reports designed to satisfy regular management reporting requirements. Data is retained in the system until the end of the fiscal year following the year in which the GBL record was completed (the date on which a cancellation or payment record was entered into the system).

2. Data Input. With the exception of delivery and payment information, GBL data is entered into the system by transportation personnel using CRT terminals connected on-line to the data base. Built-in validation criteria assures a higher level of accuracy while eliminating the cumbersome daily GBL registers and error reports typical of the prior batch method of data entry. In addition, information in the data base is as current as the last entry and is available for use immediately through the on-line inquiry process or overnight in hard copy reports. Delivery and payment information is abstracted periodically from the MTMC Freight Information System (FINS) and entered directly into the data base.

3. GBL Control. Because GBLs are accountable obligation documents, close control to prevent fraudulent use is mandatory. Report UNMG 140A, Status of Unused GBLs, provides a method to detect GBLs which may have been lost prior to issue or on which issue data may not have been entered into the data base. Reports UNMG 280A and 280B, Overaged GBLs, provide listings of issued GBLs on which records of shipment were not processed within 30 days of the anticipated shipment dates. Report UNMG 410A, Overaged GBL Control, provides historic data to assist managers at the Region to evaluate the effectiveness of the CTO overage control activity. Report UNMG 490A, GBL Open Payment File, identifies GBLs still awaiting receipt of payment data 120 days or more after the date of shipment. The TO can then obtain payment and delivery data from the appropriate finance center and update the record through the Screen 6000 GBL correction process.

4. Identification of Shipments with Potential for Consolidation. When a contractor applies for a GBL or Route Order, the FRS can use the Screen 9500 On-Line Inquiry process to determine if that contractor already has a GBL for the same consignee. To determine if the use of stopoff is practicable, the FRS can request Report UNMG 260A, GBL Issued—Shipment Pending for Type Issue B, which lists outstanding GBLs in any one of several origin/destination combinations (e.g., State to State, City to City, State to SPLC). This information will be available in a hard copy report on the following day. Reports UNMG 720A, Frequency/Consolidation Compliance, and UNMG 750A, GBL Statistical Data, provide managers with a means to determine how well they and their contractors are doing.

5. Equitable Distribution of Freight Among Carriers and Modes. Reports UNMG 520A through 520F, Cargo Distribution by FSCM/CTO Totals, provide each carrier's share of the total cargo moved in selected modes sequences by number of shipments, tonnage or cost. Reports 530A and 530B, Cargo Distribution by FSCM/CTO, Detailed, provides a list of all shipments via a specified carrier.

6. Identification of Shipping Patterns. Reports UNMG 790A through 790F, Traffic Pattern Analyses, provide total number of shipments, shipping weight and transportation cost for shipments between specified origin/destination pairs. These reports can be further refined to include transportation priority, mode of shipment and/or type of equipment. Using Reports UNMG 370A through UNMG 370L, Contractor Shipment History, the manager can identify the specific contractors who are the major shippers within these traffic patterns. These reports are especially valuable tools for competition advocacy efforts.

7. Procedure A Contractor Program. Report UNMG 370A, Contractor Shipment History—Number of Shipments, will identify those contractors having sufficient shipment volume to warrant consideration for inclusion in the program. Reports UNMG 720A, Frequency/Consolidation Compliance, 730A, Accuracy of Contractor Cost Estimates, and UNMG 280B, Overaged GBLs—FSCM Summary, are of particular value in tracking Procedure A Contractor performance.

8. Carrier Performance. Reports UNMG 540A, Accuracy of Carrier Billing, 550A, Carrier Transit Time Performance, and 560A, Carrier Lot Shipments, are designed to help the manager to identify problem carriers and take early corrective action.

9. Reporting First Destination Transportation (FDT) Expenditures. This GOBIL application will provide shipping data, including cost, by appropriation to the Military Services. Each Service has a unique accounting structure and reports provided by each DCASR describe shipping data to fit the Services' requirements. The Army report (UYMD20) uses target obligations which are provided (on paper) by each MRC. Each DCASMA

theoretically should not exceed its target obligation and the UYMD20 each month provides a balance of the target obligation. Reports for the other Services do not maintain target obligations. All reports list shipments and summarize weight and estimated dollars spent according to each Services' accounting requirements. Because the reports are organized along accounting lines, their use is restricted to review of shipments within the framework of FDT.

B. Management Information Report (MIR), RCS DLA(M)448(C)MIN. Transportation and packaging statistical data are collected at the DCASMA level and reported to HQ DLA through the medium of the MIR. This semiautomated report provides data which facilitates assessment of management and workload both for each region and HQ DLA. For T&P the MIR contains monthly and quarterly input elements distributed over four subheads of the T&P budget cost code. From this input the MIR produces monthly and quarterly data elements including simple totals, FYTD totals, and various percentages. The data cover multiple T&P functions ranging through, among other things, preaward surveys, cost/price analysis, cost savings/avoidances, shipping performance, consolidation, and packaging performance factors.

C. Transportation Officer's Approval Alert. This application produces an alert in letter format to the DCASMA TO to review a contractor's shipping performance for compliance with the GMSW&D, MSS, or CATS clause. Although various master files are searched daily, the alert is printed only when required. Data in the letter include the PIIN, SPIIN, name of contractor, CAO organization code, appropriate transportation clause, shipment number(s) and Mode of Shipment code. Upon completion of the analysis, the TO, or a representative, checks the proper statement, signs and dates the letter, and returns it to Comptroller. A sample of the alert letter may be found at appendix C.

3-404 FORMS AND FORMATS. The Defense Standardization Program requires the achievement of the highest practicable degree of standardization in practices and procedures throughout DoD. This policy is particularly pertinent to the control of forms, formats and documents utilized in the management of transportation and traffic within DoD. In a continuing effort to reduce the number of duplicative forms, form letters, and formats as developed locally by each DCASR, HQ DLA (DLA-AT) has developed a series of standard forms for use of DCAS Transportation elements in the course of mission accomplishment. The forms discussed in this part have been developed to consolidate and thus eliminate duplicative local forms, and to meet the general requirements of repetitive transportation functions. Transportation elements are encouraged to use such forms for the intended purposes to the maximum degree. It is recognized that, in specific instances, locally developed documents may be more amendable to local purposes. Except where indicated, such forms are authorized for use when, in the judgment of local officials, they are clearly superior. A copy of each such form will be submitted to HQ DLA (DLA-AT) to determine the potential for nationwide application.

A. Transportation Forms. This category represents those DLA forms developed and authorized by HQ DLA (DLA-AT) for use by DCAS Transportation elements. It should be noted that such forms should be utilized for the purpose cited, and in the manner indicated, by authorizing or prescribing directives cited in DLAH 5025.6, Index of Forms. The following guidance is supplemental to that established in prescribing directives.

1. DLA Form 341, Transportation Management Evaluation. The DLA Form 341 is a key ingredient in evaluating prospective contractors for Procedure A status. Since it is to be distributed to MTMC during the Procedure A approval state, substitution of a local form is not authorized. This form will be prepared in triplicate, utilizing the rating scale contained in paragraph 3-305 C2e, above. This form will be prepared by DCAS TMAs only and will, in no instance, be submitted to the contractor for preparation.

2. DLA Form 343, Government Bill of Lading Register. While initially developed for internal use, this form became obsolete for DCAS Transportation elements with the development of the mechanized GBL register and attendant summaries. This form may be of value, nevertheless, for Procedure A contractors in their internal control of GBLs (see paragraph 3-305 C4). While not mandatory, sufficient quantities of this form will be supplied to Procedure A contractors if they elect to use it in lieu of commercial or mechanized substitutes for GBL records maintenance purposes.

3. DLA Form 358, Contractor's Transportation Facilities Data. Developed specifically for the Procedure A program (see paragraph 3-305), this form is also useful in combination with DLA Form 525, in serving as the basic transportation capability file for DCAS contractors. Consequently, it is of particular value in the performance of preaward desk audits and other evaluation functions. This form should be completed or updated on the occasion of each facility visit, if time and scheduling permit. It should not, however, be completed by contractor personnel.

4. DLA Form 559, Instructions to Contractor for CONUS/Export Shipments. This form was de-

veloped for rendering technical advice and assistance to contractors prior to shipment. Due to the multiplicity of variations in appropriate shipping instructions, however, other local forms may be appropriate either in themselves or as attachments to the DLA Form 359. Regardless of format, instructions should be rendered in a clear, concise and comprehensive fashion with a minimum of acronyms and specialized terminology. (See paragraph 3-311 for specific applications of the DLA Form 359.)

5. DLA Form 437, Request and Authorization for Overseas Travel—Contractor Personnel. Due to the highly specialized nature of this form, procedures for its use have been incorporated in DLAM 8105.1, section 1-321, and paragraph 3-314, above.

6. DLA Form 525, Transportation Management Checklist. As with DLA Form 358, this form comprises a fundamental portion of the contractor capability file and should be utilized during the preaward and Procedure A evaluation phases of operations. In initially completing the form, data should be comprehensive and as detailed as time permits. The subsequent value of the form will be determined by both the amount and accuracy of the data it contains. This form will not be prepared by contractor personnel.

7. DLA Form 1258, Transportation/Packaging Preaward Survey. Intended for joint usage by T&P elements, this form will be utilized, when appropriate, to respond to PASMs following the performance of a PAS plant visit or desk audit. The section entitled "Contractor Requirements" need not be completed in all instances as its purpose is that of facilitating the review process when the IFB/RFP package is not immediately available.

8. Shipment Request Register (SRR). As contractor applications for shipment support are received in the Transportation office, they will be recorded in the SRR. A consolidated SRR will be maintained which reflects receipt of DD Forms 1659 in chronological order. No other SRRs are authorized. Format of the register is left to the discretion of each DCASR although a general purpose date form is recommended. The register must contain, as a minimum, the following data: name of contractor, date application was received, date of shipment availability, date shipment documentation was forwarded to contractor, method of request (1659, phone, letter), destination, RO/ETR number, FMS Requisition Number, specialist assigned, and PIIN. Additional data may be inserted into the register if desired.

B. Transportation Forms (Other). In addition to those forms discussed above, numerous forms developed by other jurisdictions may be required by Transportation elements in their official functions. Such forms, whether Federal (e.g., SF), departmental (e.g., DoD), or subdepartmental (e.g., Bureau of Customs) in scope, will be used to the extent necessary and in the manner specified in this manual and in authorizing documents.

SECTION IV—PACKAGING MANAGEMENT PROGRAM

PART 1—CONCEPT OF OPERATIONS

4-100 Purpose. The purpose of this section is to define the objectives and programs of the DCAS Packaging Management Program and to provide operational rules and procedures for performance of those packaging functions assigned to the T&P element as stated in FAR 42.3, DLAM 5810.1, and as detailed in paragraph 4-300 of this section.

4-101 General

A. A universal characteristic of modern industrial societies is change resulting from rapid advances in technology. Almost daily modern industrial man is confronted with new, and often exotic materials, technology, and systems that present new challenges to his decision-making process. One area where change has been most apparent and rapid has been in the field of defense packaging which has evolved into a sophisticated and technically complex discipline. The cosmoline and wooden crate protection which prevailed for decades is no longer adequate to meet present day requirements.

B. The defense packaging decision-maker of today must achieve a satisfactory compromise between special packaging requirements on one hand and economically efficient materials handling techniques on the other. This decision is complicated by factors which are peculiar to military logistics. Such factors are multiple transhipment, unusual modes of transportation, extended storage under adverse climatic conditions and relative essentiality of an item in its operating environment. These considerations are often incompatible with commercial practices. However, when industrial packaging methods and materials are determined to meet the needs of military logistics effectively and economically, their use will be encouraged.

C. The goal of defense packaging is the development of the "optimum package." The optimum package concept is an application of cost benefit rationale to packaging. The intent is to achieve adequate protection of the procured item, based upon its physical characteristics, ultimate destination, and use, at the least practicable cost. The attainment of the optimum package in procurement is dependent upon the achievement of subsidiary objectives which are discussed in part 2, and more specifically in the implementation of the program functions outlined in part 3 of this section.

D. Procurement documents are not always written in sufficient detail to assure contractor comprehension of the desired packaging protection. Item characteristics are not always known by the procuring activity and there is a tendency to use broad prescriptions which permit the packager latitude in design and in the selection of packaging components. This lack of specificity together with continually changing "state of the art," prompted the establishment of the packaging management program within DCAS.

E. The primary purpose of the DCAS Packaging Program is to assure that the "optimum package" is achieved in the acquisition/contract administration cycle. The DCAS PS will utilize his technical expertise in guiding contractors and providing the coordination between procuring activities and contractors that is crucial to the success of the DoD logistics effort. Within DCASR elements, PSs have access to all of the variables and factors which provide the basis for advising and assisting in the accomplishment of the optimum package. They are in a unique position to:

1. Physically examine the item to be packaged.

2. Discuss the specific characteristics of the item and the type and degree of packaging protection required with the contractor's material and engineering specialists.

3. Review the defense packaging requirements specified for the same or similar items by the Military Services/DLA or other departments/Agencies on current or past procurement actions.

4. Recommend approval of available industrial packaging methods and materials, in lieu of other requirements specified, on individual procurements which will provide required protection at the lowest overall cost.

PART 2—OBJECTIVES

4-200 Purpose. The purpose of this part is to define the fundamental objectives of the DCAS Packaging Management Program and to establish procedures for their attainment through the DCAS Packaging Improvement Program.

4-201 General

A. Objectives. The DCAS Packaging Management Program has five major and interrelated objectives that are designed to achieve the DoD optimum packaging goal in the procurement/contract administration process. These objectives are dependent upon advocacy for their achievement. DCAS PSs will advocate, by specific recommendation, the following:

1. Uniformity among DCAS customer activities in the development, documentation, and prescription of preservation, packaging, packing, and marking requirements as cited in contracts for the same or similar items.

2. Uniformity among DCAS customer activities in the selection and application of levels and methods of preservation, packaging, and packing as cited in contracts for the same or similar conditions of shipment, handling, and storage.

3. Optimum life, utility and performance of those items on contract through the prevention of deterioration and damage.

4. The minimum markings necessary (on interior/exterior containers) for effective identification, handling, shipment, and storage of materials emanating from vendors on DCAS-administered contracts.

5. Economies in the use of packaging materials of a minimum weight, cube, and cost consistent with known or anticipated shipment, handling and storage conditions.

B. Discussion. DCAS, as an organizational entity, is not primarily a consumer of material. Rather, it is a provider of service. Consequently due to the nature of the contractual agreement and the limited jurisdiction of DCAS, only the PCO can effect the changes in contractual requirements in the subject areas listed above. Advocacy of change, however, is a particular responsibility of the DCAS Packaging Management Program. As a protagonist of modernization, uniformity, economy, and improvement in packaging, the DCAS PS occupies a key role in the procurement process—performing the operational functions of DLAM 5810.1 while serving as the PCO field liaison representative to contractor packaging personnel.

1. To make innovative but responsible recommendations for the improvement of packaging, it is critical that the DCAS PS expend maximum effort in training and self improvement. In effect, being aware of technical advances in materials and processes is essential to the success of the Packaging Management Program. The means for keeping abreast of current techniques, trends, and developments are discussed in paragraph 2-102.

2. While a specific recommendation may ultimately result in accomplishing one or more of the subsidiary objectives cited in subparagraph A above, the result may not necessarily be measurable as a tangible monetary savings action. Therefore, it is not intended that validated cost savings be utilized as the sole criterion or yardstick in gauging the success of the Packaging Management Program.

PART 3—PROGRAM FUNCTIONS AND SUPPORT

4-300 Purpose. The purpose of this part is to identify and define in specific terms the program functions to be performed by DCAS PSs.

4-301 GENERAL

A. This part offers comprehensive guidance and direction by treating the nine operational packaging functions individually. All, however, are interrelated. The order in which these functions are considered does not indicate relative importance or priority. Functional priorities will vary based upon contractual terms and the nature of the packaging support required.

B. A few packaging functions, such as PAS, cost analysis, and discrepancy reporting, are highly time-sensitive. Because time standards for response are specified in governing publications or otherwise firmly established, PSs shall maintain control registers for functions of this nature. These registers can be helpful also for reporting data in the LAPERS and MIR. Data requirements, where applicable, are shown under program functions.

4-302 PREAWARD SURVEY PROGRAM SUPPORT

A. Purpose. This part sets forth procedures governing the evaluation of prospective contractor packaging and materials handling capabilities when required in support of the PAS program under the provisions of DLAM 8300.1, Production Manual for Contract Administration Services, part 1-100.

B. General. The PAS program is a major management effort by which DCAS ascertains, on behalf of a procurement office and prior to contract award, a prospective contractor's ability to perform in accordance with proposed contractual requirements and specifications. Since the packaging of material represents a key ingredient in the total production process, it is essential that capabilities be evaluated relative to the proposed contractor's packaging processes.

C. Procedures

1. Receipt and Review of Local Preaward Survey Request. When a request for PAS is received from the PASM or a PASM located in a satellite activity, a designated PS will examine the technical requirements of the proposed procurement data package. The examination of all applicable referenced specifications and drawings will extend to the degree which will permit, firstly, a determination as to whether direct participation is necessary and appropriate by the packaging/materials handling element and, secondly, a determination as to whether participation will be limited to a desk audit or will encompass a comprehensive facility review. The initial document review will include, but is not limited to, consideration of the following factors:

a. All elements listed in paragraph 4-303C1 below.

b. History of bidder's performance under prior contracts, i.e., capabilities as reflected in a previously prepared DLA Form 1095, Contractor Packaging Capability Review, discrepancy reports, and their documentary evidence.

c. All elements listed on the DLA Form 1258 pertaining to packaging.

2. Type of Participation. Generally, standard industrial packaging is acceptable if there is no additional charge or a minimal packaging charge by the contractor. When industrial packaging is specified as a requirement in an IFB or RFP, and packaging support or review has been requested by the procuring office on the SF 1403, the PS will determine if a desk audit will be performed in lieu of a site survey. The following conditions will be considered:

a. The nature of the proposed procurement is such that delivery of a tangible item is not a requirement, thus negating any need for packaging/materials handling.

b. The simplicity of packaging requirements does not warrant a plant visit.

c. The bidder's known packaging competency or that of his designated packaging subcontractor is of such a high order (relative to the packaging requirements of the proposed contract) that a plant survey would serve no useful purpose. In this instance, however, contact with the bidder may be appropriate to verify all major variable factors such as continued employment of key packaging personnel, operating presence of packaging equipment, and availability of applicable revisions of specifications. (It is noted with regard to PAS actions that the DLA Form 1095 is not intended to be the sole basis for performance of desk audits in lieu of plant survey. Data from the DLA Form 1095 should be considered in conjunction with reports of discrepancies and technical assists, and other information in determining whether an adequate evaluation can be accomplished at the desk.

d. If a site visit is deemed unnecessary, the contractor's proposed packaging will be described in the Remarks block of the PAS request, SF 1403. This is particularly important when ASTM 3951 or industrial packaging is specified.

3. Plant Visits. If, after initial review of the proposed contract, a physical plant survey is considered necessary, the time of performance should be coordinated with the PAS monitor to coincide with the visit of the other team members. When, for substantial reasons, it is not possible to schedule a combined plant visit with the PAS team, the PS will make separate arrangements with the prospective contractor. The DLA Form 1095 will be prepared or updated as necessary during the visit to include, as a minimum, those items on the form applicable to the survey.

4. Findings and Recommendations. During performance of the PASA (desk audit or plant visit), the PS and assigned TMA will prepare jointly a DLA Form 1258 containing award recommendations. This form will subsequently be forwarded to the PAS Team Leader or PASM to support all items of the SF Form 1403 which pertain to packaging and materials handling. Findings and recommendations resultant from the survey must be objective and based upon current and factual information. If a recommendation for "negative award" is made, it must be supported by a fully documented plant visit report, DD Form 1901, Plant Visit Request/Report. A desk audit is not of itself sufficient to support a negative recommendation. The file copy of all reports will be retained in the contractor's performance folder. Information noted during the course of a survey that reflects a need for Postaward Contractor Orientation or improvement to specified packaging requirements will be annotated in the appropriate blocks of the DLA Form 1258 for PS followup with the ACO, PCO, or QAR as appropriate.

5. Control Register. Minimum data elements required for the PAS control register are: date received, bidder's name, IFB/RFP number, date due, date complete, type of participation (i.e., onsite, desk), and recommendation (i.e., award, no award, conditional award).

6. General purpose surveys forwarded by the preaward survey monitor will be performed in a manner similar to the preaward survey request.

4-303 CONTRACT REVIEW AND POSTAWARD ORIENTATION

A. Purpose. This part establishes procedures for the review and analysis of contractual documents (see paragraph 3-304) to be administered by the DCAS packaging element. In addition, policy is defined which governs the performance of postaward orientation visits when PAS, contract review, or professional experience indicates the need for special indoctrination of contractor personnel in Military/Federal packaging requirements as they pertain to specific contracts.

B. General. Due to the large volume of contractual documents requiring examination, this function is characterized by two types of review: initial and comprehensive. All documents will receive the initial review whereas the comprehensive variation will be performed only when warranted in the judgment of the PS.

C. Procedures

1. In the interest of management efficiency, contracts should be reviewed as soon as possible after receipt, but at the maximum, within three workdays. The initial review of contractual docu-

ments has as its primary, dual purpose the identification of new, inexperienced contractors and unusual packaging requirements so that the need for postaward contractor orientation may be determined and assistance provided, as required, to prevent the emergence of difficulties and delays in shipment. If initial review indicates to the PS's satisfaction that the contractor is known to be capable and is well experienced, and that the required packaging is neither unusual, special, nor apparently incorrectly cited, then the further, more comprehensive review (discussed below) may not be warranted. However, if any question remains as to the contractor's capability to perform the packaging required, or to the viability of the stated requirements, further review is required and will be concerned with identification of:

a. New or unusual packaging requirements prescribed by procuring activities which may demonstrate a need for coordination with the procuring activities to establish needed uniformity.

b. Special packaging requirements which need emphasis or clarification with the contractor such as the special packaging and marking of items defined as dangerous for military air or surface shipment.

c. Contracts in which the packaging and marking citations do not contain proper content as required by FAR 10.004.

d. Contracts in which packaging requirements are inadequate or excessive for the destination and use involved. Although inadequate or excessive requirements are not readily identifiable apart from a rather intimate knowledge of the item(s), destination(s), and use involved, the DCAS PS may have this knowledge or be able to obtain essential information easily. When a change in packing requirements is determined to be appropriate, such change will normally be recommended to the PCO via the DD Form 2025. This form will also be utilized to document changes coordinated via message, letters or telephone conversations. In the event a cost consideration is appropriate, an independent cost evaluation will be conducted. The data will be recorded on the DD Form 2025 and forwarded through the ACO for consideration prior to price negotiation.

e. Contracts in which the packaging requirements are missing, erroneous, or in noncompliance with current DoD policies, will be brought to the attention of the procuring activity. The PS will do so via the DD Form 1716, Contract Data Package Recommendation/Deficiency Report, forwarded through the ACO. DD Forms 1716 so generated should be tracked by the PS in the same way as the DD Form 2025.

f. Contracts which require preproduction test of contractor-originated packaging engineering designs so that necessary technical liaison may be established.

g. Contracts which require contractor-originated packaging data with review and approval by a DCAS PS.

2. Contractor Capabilities. The DLA Form 1095 will be utilized, when available, as a primary basis for determining contractor capability aspects of contract review. Other related documentation such as discrepancy reports and technical assistance reports may also inhance determination of capability.

3. Contract Improvement. Contract deficiencies or discrepancies having significant impact on cost, security, delivery factors, or ability of the contractor to meet specific contract preparation for delivery requirements will be brought to the attention of the procuring office with recommendations as appropriate. Suspense and cross reference files will be maintained, as necessary, to ensure that missing data is obtained, required reports are submitted, and management actions are completed sufficiently in advance to permit proper processing within established time frames.

4. Postaward Orientation. When, during review of a contract or purchase order, it is determined that a contractor does not or may not have a clear understanding of the packaging requirements of the contract, the DCAS PS will advise the ACO that a PAOC with contractor personnel may be necessary to clarify contractual requirements and resolve any real or potential problems. In the event that the ACO declines to hold a formal conference, the PS will contact the contractor and make arrangements for an orientation visit. Initiative for performance of a postaward conference may arise with another DCAS element, or the PCO. If so, and when notified by the ACO, the PS will (re)examine the applicable contract and determine whether his participation will benefit the Government, the contractor, or both. He will notify the ACO of his decision.

5. Orientation Agenda. The packaging portion of the subsequent conference (or orientation visit) will be concerned with any preparation for delivery deficiencies reported during the PAS, as well as with specific procurement policies in such additional areas as:

a. Contractor development of packaging designs.

b. Preproduction pilot packs.

c. Delineation of packaging approval authority and procedures.

d. Acceptability of packaging variations.

e. Weight and Cube Reduction program.

f. Cost Reduction program.

g. Standardization of packaging methods and materials.

h. Consolidation of shipments.

i. Regulations governing packaging and handling of dangerous materials for interstate and/or military air shipment.

j. Loss and Damage Prevention program. (Note: Preproduction packaging is of mutual concern to both packaging and quality personnel. While final acceptance of preproduction pilot packs and packaging variations is a QA function, the technical design validation aspects of these areas; i.e., related engineering calculations, material selection and substitutions, fall within the scope of the PS's functions).

4-304 TECHNICAL SUPPORT AND ASSISTANCE

A. Purpose. This part offers policy guidance in the rendering of technical support and assistance, not otherwise prescribed herein, to procurement offices, DCAS elements, other Government activities and contractors by DCAS PSs.

B. General. Due to the highly specialized and technological nature of military packaging and the complex nature of military marking procedures, a continuing need exists for professional expertise in the contract administration environment for responding to inquiries and requests for assistance from both contractor and Government personnel. Responses to such requests must be appropriate, as the situation dictates to the nature of the required assistance.

C. Procedures

1. DCAS Assistance to Procuring Activities. Technical support and assistance to procuring activities may take many forms from telephone calls to procuring activities for clarification of the prescribed packaging requirements to the development and recommendation of alternate, more economical and effective packaging design. FAR 10.004 describes the role of PSs in the development and establishment of individual procurement packaging and marking requirements. The DD Form 2025 is cited in FAR 53.1 for use by DCAS specialists in submitting packaging change recommendations to procuring contracting officers for action. When urgency requires telephonic communication, a DD Form 2025 will be used to confirm the action.

a. DoD packaging policy requires that maximum use shall be made of industrial packaging in procurement actions when it will satisfy DoD needs at a fair and reasonable cost. DCAS PSs should assist procuring activities by identifying and recommending industrial packaging on specific contracts when such packaging is available and will provide the necessary protection. In the event a cost consideration is appropriate, an independent cost evaluation will be conducted. The data will be recorded on the DD Form 2025 and forwarded through the ACO to the PCO for consideration prior to price negotiation.

b. Packaging and marking requirements imposed by 49 CFR for hazardous items should be contractually required. If not in the contract, an appropriate packaging change should be recommended. Contract modifications and amended shipping instructions which change the shipment mode or consignee may involve special packaging and marking not previously required. To assure that applicable requirements will be met, it may be necessary to issue appropriate instructions to the contractor or, in some cases, to submit a packaging change recommendation for necessary contract coverage.

2. Government Assistance (DCAS). As the DCAS office with primary interest and responsibility in the area of packaging, the Packaging and Materials Handling element will advise and assist other functional elements within DCAS. Requests for assistance may arise with any element, although experience has indicated that most such requests arise from ACOs, QARs, Industrial Specialists, and Small and Disadvantaged Business Utilization Specialists. PSs will furnish maximum technical assistance to all members of the DCAS team ranging from answering a specific inquiry to the preparation of seminars and training sessions for appropriate personnel. When requested, PSs will participate in the review and evaluation of Packaging and Materials Handling portions of VE proposals. These actions involve both technical review of the contractor's proposed change in requirements and an evaluation of the proposed decrease in contract price (see paragraph 4-308 below).

3. Government Assistance (Other). Technical assistance will be rendered other Government agencies upon request. For example, DCASFPSs will respond favorably to requests from the DCAA for participation in surveys of contractor cost estimating systems. They will assist DCAA and other Government activities requesting support. However, when a formal request is received from a customer or other Government activity for information of a general nature or for a special study not relatable to a specific contract or contractor, the requesting agency will be notified that such an inquiry must be channeled through HQ DLA (DLA-AT). This procedure will ensure that resultant study is based upon national DCAS experience and that resources are available.

4. Contractor Assistance. In their position of presenting "one face to industry," DCAS PSs are

frequently called upon to serve as technical consultants to contractors on matters relating to military packaging and materials handling. The inquiries presented by contractors may range from the very minor to questions on such involved subjects as packaging engineering designs involving dynamic shock tests and shock mitigation. The PS may have the desired information readily available or may have to perform considerable research to find the solution to the problem presented. A plant visit may be necessary to properly effect an answer to the inquiry. Response to a contractor's request for assistance may on occasion be misinterpreted as a commitment or as an authorization for change in requirements. For this reason it is preferable that written technical advice be forwarded by the ACO to the contractor. Other important correspondence and discussions with contractors, such as a request for technical assistance involving a difference of opinion, should be retained or recorded as appropriate for future reference.

5. Contractor Training (SMPT). DCAS PSs will review contractor personnel requests for SMPT training courses and will provide the required endorsement.

4-305 CONTRACTOR SURVEILLANCE AND FACILITIES REVIEW

A. Purpose. This part establishes procedures for the performance of contractor capability surveys by DCAS PSs, including CPCRs, CPSRs, EMRs, and Should Cost Studies.

B. General. In addition to PAS and Postaward Orientation visits, DCAS PSs will participate in those reviews of contractor facilities and practices herein after described. Reviews will be performed in accordance with the guidance cited below.

C. Procedures

1. Contractor Packaging Capability Review. The CPCR, utilizing DLA Form 1095, is a mechanism for use by DCAS PSs in fulfilling their obligations of packaging support to procurement activities and to contractors. The DLA Form 1095 (see paragraph 4-5C below) represents a single, comprehensive and uniform format for evaluating the military packaging capabilities of contractors, and of retaining and updating evaluations once made. On-site visits should be scheduled (resources permitting) under the following situations: major contract award, unique packaging requirements, extraordinary materials handling or transportability difficult conditions. Use of logs, registers, or report systems will be used to identify negative trends that may warrant on-site review by the PS, especially with respect to RODs/TDRs. The CPCR will be performed initially or updated on the occasion of each facility visit unless, in the judgement of the PS, such an effort is unnecessary by reason of a recently completed CPCR or contractor's stated intent to discontinue relationships with DoD. Prepared as an original copy only, the DLA Form 1095 will be maintained on file in the Packaging/Materials Handling elements to assist in the performance of other packaging program functions. The form will be utilized during PASs (including desk audits), contract review and as a basis for assists to customer activities and DCAS elements. In effect, the form will be used as a checklist by PSs and as an historical record of observations that were made during the course of facility visits. A current, complete DLA Form 1095 should reveal the effectiveness and overall efficiency of a contractor's packaging operation while identifying specific problem areas, such as excessive packaging labor and material costs, inadequate handling and storage methods, inefficient or inadequate design, related packaging safety/security weaknesses and other factors. Remarks block should be annotated with directions for locating the contractor's facility.

2. Contractor Procurement Systems Review. CPSRs are conducted in accordance with FAR, part 44, and DLAM 8105.1, part 44.3. When requested, PSs will participate as members of the CPSR team. PSs who are to participate in CPSRs will be familiar with applicable FAR and DLAM 8105.1 parts. The review should compass all aspects of packaging from the conversion of contractual packaging specification into operational instructions to final preparation for shipment. As team members, they will examine packaging aspects of contractor operation particularly in the areas of source selection processing of purchases, pricing, contractor's decision to package in-house or subcontract for packaging services and subcontract administration. Close contact will be maintained with the CPSR team leader during the review and reports and recommendations will be in the format as required by the team leader.

3. Contractor Estimating Methods Review. The DCAA is the assigned program manager for the CEMR program. Applicable policies and procedures are given in FAR 15.811 and DLAM 8105.1, Part 15.811. The price/cost monitor is responsible for assuring that appropriate technical personnel are assigned to the in-plant survey effort in support of the program manager's requests for assistance. As team members, PSs will assess the reliability of the contractor's system for estimating packaging costs. PSs who are to participate in CEMRs will be familiar with the FAR and DLAM 8105.1 references cited above. Reports and recommendations will be in the format as required by the team leader.

4. Should Cost Reviews. This review has as its purpose the evaluation of a contractor's cost projections and the practices and standards upon which such projections are based. (See FAR 15.810 and DLAM 8105.1, part 15.810) DCAS PSs may be requested to participate in such reviews together with other functional representatives. In those instances, the designated specialist will be thoroughly familiar with the terms of FAR and DLAM 8105.1, as cited above, and will perform as appropriate, those functions cited in DLAM 8105.1, part 15.810–3c.

4–306 PREPARATION OF GOVERNMENT PROPERTY FOR SHIPMENT AND STORAGE

A. Purpose. This part establishes policies and procedures delineating the participation of DCAS PSs in efforts to prepare government-owned IPE and OPE for movement from contractor facilities.

B. General. It is the responsibility of the DCAS Packaging/Materials Handling element to provide appropriate PC&HT requirements for inclusion in contracts for the movement of Government property from contractors' facilities. Requirements will be stated clearly in sufficient detail to assure satisfactory and continuing protection, to serve as a basis for the technical analysis of costs and to provide criteria for inspection and acceptance of required services.

C. Procedures

1. Preliminary Review. When Government property is to be moved from a contractor's plant, a copy of the applicable movement notice/requisition, and/or in case of IPE, a copy of the DD Form 1342, DoD Property Record, and other available information concerning the location and scheduled removal date is furnished to the DCAS Packaging/Materials Handling element. PSs will review this data in conjunction with pertinent specifications, standards, handbooks (e.g., MIL–STD–107, Preparation and Handling of Industrial Plant Equipment or other comodity/process specifications). PSs will also consult the DCAS Transportation element, DIPEC and/or the receiving activity as necessary to determine the most economical combination of packing and transportation based upon item configuration, mode, capacity and type of destination facilities for handling and storage, intended disposition at destination and other logistics factors.

2. Instruction Development. From this review of documentation, consultation, knowledge of, or personnel examination of the item onsite, detailed instructions for preparation for movement will be developed and provided to the Plant Clearance Officer/Property Administrator for transmission to the contractor. These instructions will include the information needed for ordering aluminum skids as required. When the Remarks block of the DD Form 1342 includes a list of aluminum skid components (see DLAM 4215.1, Management of Defense-owned Industrial Plant Equipment (IPE), appendix 2 B, paragraph 11b), the PSs will verify the list to be sure the proper skid components are designated. Skid layout diagrams, when prepared, will also be included with the PC&H instructions.

3. Clarity of Requirements. The need for a plant visit will be determined by such factors as volume or complexity of items, cost for PC&H, need for contractor instructions, and any special procedures involved. Inplant examination will permit clarification of specific requirements and more valid evaluations of cost and potential problems. Detailed PC&H instructions will include the extent of disassembly; cleaning and preservation; preparation of tools, equipment, and accessories; blocking and bracing; securing and mounting; shrouding and skidding (or crating); and any special loading, blocking or bracing required by the type of carrier (mode) selected. These requirements will be stated clearly including the levels of protection, to serve as the basis for technical evaluation of costs, and to provide criteria for inspection and acceptance of required service. From experience, office records and/or plant visits, PSs will assure that contractors comprehend the detailed requirements.

4. Skid Layout Diagrams. When deemed necessary to assure proper requisition and use, skid layout diagrams will be prepared. Aluminum skids will be used when specified by the inventory manager or when otherwise determined to be in the best interests of the Government. (Guidance or use of aluminum skids is given in DLAM 4215.1, chapter 11.)

5. Cost Considerations. Removal costs, including disconnect from power, air, and water, disassembly, security, movement of other machines to facilitate accessibility, interruption of contractor production and other similar activities, are not a part of PC&H but a part of contract cost, and therefore, a departmental responsibility (e.g., Army, Navy, Air Force). Further, restoration of facility costs is also not a part of PC&H but a part of the contract, and therefore, a departmental (e.g., Army, Navy, Air Force) responsibility. Costs for cleaning and preservation of equipment performed under maintenance procedures are not a part of PC&H but a part of the contract under which the IPE is provided/accounted for. The ACO should be advised of such costs that are included in PC&H proposals.

6. Cost Evaluations. When requested by the ACO, the PS will assist in the evaluation of resultant proposals/claims for PC&H services to assure

reasonableness of the proposed price. In the evaluation of PC&H costs the PS will be guided by DLAM 4145.4, Packaging Cost Estimating, and the Packing, Crating, and Handling Cost Matrix (see DLAM 4145.9, paragraph 8-32, Tab 8-2), as adapted to local conditions and based upon experienced judgment. Comments or recommendations will be submitted in writing to the ACO. When requested, the PS will assist in negotiations to establish fair and equitable costs.

4-307 TECHNICAL ANALYSIS OF COST AND PRICE PROPOSALS

A. Purpose. This part sets forth policy and procedures for the performance of cost analyses by DCAS packaging personnel. Such analysis may be conducted as an integral part of another function (e.g., CPSR) or separately in response to the request of other DCAS elements.

B. General. FAR 15.8 establishes price negotiation policies and techniques applicable to negotiated prime contracts and those subcontracts which are subject to consent by the Government. The responsibilities of contracting officers and the roles of various professional technical specialists, including PSs, are identified in FAR 15.8. The Armed Services Pricing Manual provides additional information on this subject. DCAS PSs will be familiar with both publications, in their pertinent parts, as well as with the succeeding procedures to provide technical advice to contracting officers and negotiators. DLAM 8105.1, section 15.805, provides general guidance concerning performance of price/cost analysis by the DCAS field pricing team. DLAM 8400.2, Part 5, provides guidance and procedures for performing Technical Analysis of Cost Proposals (TACPs) by all functional elements.

C. Procedures

1. While the Contract Management Engineering element is the office of primary responsibility for TACPs, they are actually performed by both the Engineering and Production elements. When specialized preservation, packaging and packing assistance is necessary, a formal request will be made by the performing element and all responses should be returned to the requesting office.

2. Cost Identification. Since the FAR and SF Form 1411, Contract Pricing Proposal Cover Sheet, do not specify any particular way of displaying packaging and packing costs, contractors are free to show these costs in any way they desire. Each separate category of costs should be identified and supported. The treatment of PPP in the contractor pricing proposal often makes the evaluation of such costs more difficult, particularly when various elements are fragmented and shown in different places. This may conceal the true total cost of packaging so that it will appear to be an insignificant fraction of total costs and may escape attention.

3. Cost/Price Components. The contracting officer or contract negotiator needs the specialized knowledge and experience of the DCAS to provide advice in one or more of the following areas:

a. "Should cost," or independent estimates of the cost of performing the prescribed PPP requirements (see paragraph 4-305C4 above).

b. Estimated direct labor man-hours required for PPP.

c. Estimated material costs for PPP.

d. Estimated cost of packaging design, test, and evaluation when required.

e. Any other justifiable costs for PPP.

4. Evaluation Approaches. When the contractor's pricing proposal displays PPP cost elements, the PC can evaluate the PPP costs by comparison with computations based on DLAM 4145.4. When no PPP costs are displayed in the contractor's pricing proposal, the PS can compute an independent (should cost) estimate of PPP costs, based on the prescribed PPP requirements, product data and DLAM 4145.4. Knowing what the PPP performance should cost can provide the basis for a closer analysis of the proposal when warranted. For individual items an independent estimate of PPP costs based on DLAM 4145.4 is generally the most efficient technique. For spare parts exhibits it is generally more practical to group items of similar size and packaging method and compute the PPP costs for representative packages based on the prescribed packaging requirement, and cost data from DLAM 4145.4. In instances where the prescribed PPP requirements can be expected to generate costs, there should be a display of these costs somewhere in the contractor's pricing proposal. Apparent absence should not be considered as evidence that these costs are not included or are egligible.

5. Evaluation Techniques. DLAM 4145.4 provides labor times for most of the standard military PPP methods and procedures. The labor time data are based on time and motion studies of various actions/movements required to accomplish these methods. These labor times are considered relatively accurate for any time and place. The material cost data, however, does not reflect current prices and should not be used in performance of your cost evaluation. Packaging materials costs are affected by various market conditions including geographic location, availability of supplies, changing technology (including new materials), and economic conditions. This requires that the PS keep abreast of the changes affecting packaging materials availability. For larger contractors having procurement systems which have been re-

viewed and approved, the packaging material prices displayed in that contractor's proposal may be accepted on that basis, with only a sample verification (see paragraph 4-307c2 above). Allowances for scrap and waste, incoming material inspection, procurement, storage and handling of packaging materials should be considered above actual invoice costs. The contractor's normal practices for other materials also apply. The labor time data given in DLAM 4145.4 are direct, productive labor times, based on small quantity production by inexperienced personnel. Extreme care must be exercised to avoid routine application of learning curve factors which allow a longer time for initial production or small quantity runs. This allowance is already built into the labor times given in DLAM 4145.4 with a reduction factor to reduce these times for longer runs and larger quantity production. It is necessary to consider additional allowances for nonproductive and indirect labor factors such as those for rest, cleanup, standby, setup, supervision, and other items. The normal factors applied and accepted in other production disciplines are generally applicable to packaging labor. Other cost factors which may be applicable to packaging are package design, test evaluation and production testing of packages. Although DLAM 4145.4 provides no guidance for estimating these cost elements, their existence should be recognized by DCAS PSs and, when applicable, other DCAS specialists (notably in pricing and industrial engineering) should be consulted. For example, if the prescribed packaging is given in detail by complete packaging data code or packaging data sheet, there is no requirement for packaging design, test and evaluation such as when "level A of MIL-STD-794 or MIL-STD-2073-1" is prescribed. The PS should be aware of the implied requirements as well as those explicitly stated. When requested to evaluate direct packaging labor and material costs, the DCAS PS should comment on or note the presence or absence of other cost elements, such as package design, to assure that proper consideration is given to the total cost of packaging.

6. Reporting Packaging Cost Savings. For reporting purposes, the dollar value of packaging cost savings (avoidances/recommended avoidances) will be computed on the basis of labor and material costs and all applicable indirect, G&A, overhead, and profit factors.

7. Control Register. Minimum data elements required for the cost analysis control register are: date received, contractor name, case/contract/proposed number, due date, total dollar value, loaded dollar value for PPP portion of the proposal, loaded dollar value of recommended cost reduction, date reply forwarded, and PS man-hours expended.

4-308 PACKAGING SERVICES CONTRACT SUPPORT

A. Purpose. This part establishes policy and procedures for the technical support of PSCs by DCAS PSs.

B. General. A PSC is a competitively awarded open-ended contract for the procurement of packaging services and supplies at fixed prices. The primary purpose of the PSC is to provide an immediate source of adequate military packaging services at competitive prices for use by all DoD procurement activities. The PSC is activated by PCO issuance of a delivery order containing general packaging and packing requirements as well as related handling and shipment instructions. Concurrently, the PCO notifies the commodity supplier, i.e., prime contractor, via contract amendment to reduce packaging requirements to commercial practice, if not already so cited and to ship the item to the designated packaging facility. Responsibility for the conversion of general packaging and packing requirements to specific written details is contractually assigned, generally, to the CAS PS.

C. Procedures

1. DCAS PSs will promote the use of PSCs by DoD procurement activities as a means of obtaining military packaging services economically and effectively.

2. Where viable, a PSC should be used as an alternative source of military packaging services. Viability is determined in part on PSC availability, suitability of proposed contractor's packaging versus military packaging requirements, cost of transportation to PSC vendor, and contract delivery schedules. The PSC may be used as a price comparison medium in the evaluation of contractor's packaging cost proposals. Use of PSCs will be recommended to PCOs when advantageous to the Government.

3. As contractually provided in the PSC, the DCAS PS will prepare detailed work statements for contractor performance of packaging services. The DLA Form 1257, Packaging Services Contract Estimates and Requirements, should be utilized for this purpose. The PS will convert the general requirements specified for the commodity into a detailed packaging design. In designing the military package, full consideration will be given to the use of commercial packaging materials provided by the commodity contractor.

4-309 LOSS AND DAMAGE PREVENTION

A. Purpose. This part provides guidance and procedures for DCAS PSs in their implementation of the DoD Loss and Damage Prevention program.

B. General. Packaging/materials handling personnel will participate in the DoD Loss and Damage Prevention program as described in DLAR 4500.3, section 221, in DLAR 4140.55, Reporting of Item and Packaging Discrepancies, and in DLAR 4500.15, Reporting of Transportation Discrepancies in Shipments. The following procedures define such participation and are of two general varieties: action taken in the course of contract administration to preclude and prevent shipment damages and losses; and action taken after the fact of damage or loss to report or investigate such occurrences.

C. Procedures

1. Loss and Damage Prevention. During facility visits PSs will be alert to materials handling and storage conditions that are conducive to damage, loss, or contamination of procured material. They will evaluate the design, suitability, and use of shipping containers and assess the contractor's capability to develop effective loading, blocking and bracing procedures. Recommended preventive measures will be presented to the contractor and appropriate Government personnel for the correction of those deficiencies noted during the review. In addition, contractor orientation seminars, recommendations to procuring activities for the improved communication of packaging requirements in contracts, and proposals for specification changes to improve or clarify technical requirements for packaging are preventive measures which are a continuing requirement of DCAS PSs.

2. Loss and Damage Reporting and Investigation. Registers of all incoming and outgoing deficiency reports, i.e., SF 361, Transportation Discrepancy Report (TDR), and transportation or packaging-related SF 364, Report of Discrepancy (ROD), must be maintained in all Packaging/Materials Handling Offices. Registers will reflect the data necessary for the ready identification and ultimate disposition of each report. A continuing analysis of discrepancies as cited in the registers will be performed to identify trends of specific deficiencies demanding preventive action.

a. Reports Received on Contractor-Originated Shipments

(1) Joint Regulation DLAR 4140.55 prescribes the use of the SF 364 for reporting deficiencies resulting from improper preservation, packing, marking, and utilization, hereinafter referred to as packaging deficiencies.

(a) Within DCAS, the receipt and control of packaging deficiency reports and the investigation and corrective action of those reports attributable to nonconformance with contractual requirements (quality deficiencies) has been assigned to the cognizant QA activity. A copy of each such report received by the QA element and an information copy of each reply or action taken by QA on nonconformance cases will be provided to the T&P office. (See DLAR 260.2, Materiel Deficiency Investigation and Reporting System.

(b) The T&P office is responsible for the actions on and resolutions of all packaging deficiencies resulting from inadequate or questionable contract requirements. A review of each such SF 364 and related procurement documents will be made to determine whether or not the contractual requirements were technically adequate and clear.

1. When it is determined that requirements are not technically adequate or clear, the PS will recommend appropriate and timely changes to the cognizant procuring office to prevent similar discrepancies on future procurements.

2. When preparation for delivery requirements are technically adequate but a need for clarification exists, corrective action may include contractor indoctrination and guidance to preclude recurrence of the discrepancy and to improve contractor competence in performance of the packaging, packing, and marking requirements.

3. When it is determined that requirements which have been questioned are adequate and clear and a contractor should be held responsible for corrective actions and/or price adjustments, the CO and/or QA representative shall be advised accordingly.

(c) The SF 364 is also used by FMS customers to report transportation discrepancies. These reports are generally for information only. Usually, if the ILCO/PCO needs information relative to a problem of this nature, the SF 364 will be forwarded as an attachment to a letter which details the information required.

(2) Joint Regulation DLAR 4500.15 prescribes the use of SF 361, in reporting transportation type discrepancies in shipments, including shipment marking deficiencies.

(a) The DCAS Packaging element, as the focal point for TDRs, is responsible for reviewing all TDRs received at DCAS field activities and developing replies to requests for information. PSs must follow up, as required, to assure that proper and timely response may be requested from the action element to complete the file.

(b) The PS will evaluate the technical and contractual aspects of contractor/carrier liability for each TDR received and will resolve any technical differences with other involved activities prior to signifying personal concurrence with reporting activity findings. The forms will then be forwarded to the ACO, Traffic Management element, reporting activity, or file as appropriate. One copy of each discrepancy report on F.O.B. Destination or Fast Pay shipments will be forwarded

to the contractor via the ACO. Discrepancy reports on F.O.B. origin shipments pertinent to carrier responsibility and traffic management administrative discrepancies will be forwarded to the Transportation element for information, analysis and/or development of a reply through the PS to the reporting activity. Such reports include but are not limited to:

1. Inadequate carrier services or equipment.
2. Nondeliveries (total or partial shortages).
3. Noncompliance with security regulations.
4. Excessive transit time.
5. GBL errors.
6. Misconsignments.
7. Violations of requirements established in terminal facilities guides.

b. GBL Consignee Copy Nonreceipt

(1) Because all DCASRs occasionally experience receipt of SF 361s requesting consignee copies of GBLs the following procedures will be implemented:

(a) Establish separate register for TDRs requesting consignee copies of GBLs. As a minimum, this register will include the following data elements:

1. Date Received.
2. Report Number.
3. Reporting Activity.
4. Contractor Name (if one contractor ships from several locations, each location should be identified separately.)
5. Date Reply Forwarded.

(b) Whenever there is no evidence of a prior request for a copy of the GBL (phone call, form letter, etc.) annotate Block 32 of the TDR:

Copy of GBLXXXXXXXX enclosed. The TDR may not be used as a first request for a missing consignee copy of a GBL. See (Publication number applicable to the Service/ Agency of the reporting activity) paragraph 5b(9) of DLAR 4500.15, Reporting of Transportation Discrepancies in Shipments.

A copy of this reply should be sent to Headquarters, Military Traffic Management Command (MTMC), ATTN: MT-ITD.

(c) Review this register monthly to identify:

1. Receiving activities who are using the TDR improperly as evidenced by multiple entries in the Reporting Activity column. Forward a letter to each activity so identified calling attention to their improper use of the TDR and requesting corrective action. A copy of this letter should be forwarded to the MTMC Area Command in whose geographic area the reporting activity is located. If, after a second letter to a reporting activity, no improvement is noted, elevate the problem to the DCASR Transportation Officer for resolution.

2. Contractors may not be forwarding consignee copies of the GBL properly as evidenced by multiple entries in the Contractor Name column. Forward a letter to the contractor calling attention to the problem and explaining the proper GBL distribution process.

c. Initiation of Deficiency Reports and Deficiencies Noted in Receipt of Government Owned Property.

(1) The joint efforts of the contractor and the DCAS PS are necessary to assure prompt resolution of T&P deficiencies that are noted in the receipt of Government property. The contractor's procedures for receipt of Government property must provide for the verification of condition and quantity of property received; the recording and validation of findings on carrier and receiving documents; and prompt notification to the PS of deficiencies discovered. Subsequently, the PS will generate the appropriate reports as required by DLAR 4500.15 or DLAR 4140.55 and gather all exhibits necessary to support claim action. When a question of responsibility for a deficiency exists, the cognizant PS will communicate with the DCAS QAR and contractor transportation/packaging personnel in establishing whether the discrepancy is a prepackaging, packaging, or transportation type. (An onsite review may be deemed necessary to make a final determination.) If it is determined that the defective condition occurred prior to packaging, reporting and corrective action will be accomplished by the QAR or property administration personnel, as appropriate. If it is determined that the discrepancy resulted from inadequate packaging or transportation, the PS will obtain all data and exhibits necessary to initiate the applicable report.

(2) When determined appropriate, the SF 364 will be prepared and distributed by the PS in accordance with DLAR 4140.55. In the body of the report he will describe the deficiencies concisely, citing specifications or regulations where applicable and including recommendations for technical corrective action. The PS will also arrange to secure photographs or other supporting exhibits, as required.

(3) The reverse side of the blue consignee copy of the GBL contains "Instructions to Consignee" that must be followed when processing incoming shipments. The contractor, as the consignee of Government property, is responsible for certifying the visible condition of a shipment at time of re-

ceipt. Therefore, the contractor's Government property procedures must provide for:

(a) Verification of quantity and condition at time of delivery.

(b) Annotating any loss, overage, damage, or other transportation discrepancies on the carrier's delivery document (including the consignee copy).

(c) Assuring that the GBL number, if available, is shown on the carrier's delivery document (including the consignee copy).

(d) Securing the carrier's driver or representative's signature for notations on the delivery document and retaining the consignee copy as evidence of receipt.

(e) Immediately requesting further guidance from the PS upon any loss, overage, damage or other transportation discrepancy discovered.

(4) The following provisions should also be included in the contractor's property procedures to cover nonreceipt of shipments and action to be taken in the event that loss, damage or other discrepancy is discovered.

(a) Notification to PS when a shipment has not been received within 30 days of anticipated date.

(b) Immediate telephonic notification to carrier's office of hidden loss, shortages, or other discrepancies noted after delivery and request for carrier inspection.

(c) Written confirmation to carrier of the above, citing name and title of carrier representative notified telephonically.

(d) Prompt request to the PS for further guidance upon discovery of hidden loss, shortages, or other discrepancies noted after delivery.

(5) The SF 361 will be used by the PS as required in DLAR 4500.15 report over, short, damaged, or astray shipments of material moving on GBL (or commercial bills to be converted thereto) that are due to either carrier or shipper error. The PS will assure compliance with the procedures contained in DLAR 4500.3, in conjunction with the preparation and distribution of the forms required by DLAR 4500.15. The PS will indicate on the form whether the responsibility for the deficiency should be assigned to the shipper or the carrier. When it is determined that the carrier is to be held responsible for overages, shortages, or damages not resolved within the DLAR 4500.15 distribution time frame, the specialist will secure exhibits and data necessary to support the TDR (as required by DLAR 4500.15) in claim action. The following documentation is the minimum required to support a claim against the carrier:

(a) A copy of the GBL or CBL.

(b) A copy of Consignee Delivery Receipt (carrier's waybill, freight bill, or air bill) showing discrepancy notation and signed by carrier agent and consignee.

(c) DD Form 250, DD Form 1348, DoD Single Line Item Requisition System Document (Manual) or other shipping document.

(d) Carrier's inspection report (for concealed loss or damage).

(e) Copy of SF 361.

(f) Statement of nondelivery from both the destination carrier and the consignee if claim is for loss of entire shipment.

(g) Consignee's verified figures for salvage value, repair costs and/or sales price of damaged goods.

(h) Other pertinent data. (Reference guidance contained in AFR 177-19/AR 735-11-1/NAVSUPINST 4610-34B/MCO P4610.16B, Uniform Settlement of Military Freight Loss and Damage Claims.)

(6) PSs will distribute TDRs in accordance with instructions contained in the appendices of DLAR 4500.15. Applicable documents cited in subparagraph (5) above will be attached to the copies of the report forwarded to the cognizant finance center for survey/claim action. The cognizant finance center and address (for purposes of transportation discrepancy reporting) is shown in the "Charges To Be Billed To" space of the GBL, with the exception that Air Force, Marine Corps, and GSA GBL-funded shipments will be forwarded to the appropriate address shown under "Cognizant Finance Center" in the Glossary Appendix to DLAR 4500.15.

4-310 PACKAGING DATA APPROVAL PROGRAM

A. Purpose. This part sets forth procedures for the development and approval of detailed packaging data and specifications by DCAS PSs.

B. General. PSs will develop, revise, and approve packaging data when authority to do so has been specifically delegated by a procurement instrument or, in preparation for movement of Government-owned plant equipment, when required herein. Packaging data refers not only to that data developed in accordance with MIL-STD-834, Instruction for Preparation and Use of Packaging Data forms, and MIL-STD-726/MIL-STD-2073-2, Packaging Requirements Code, but also to preproduction pilot pack data as required by MIL-E-17555, Packaging and Packing of Electronic and Electrical Equipment. MIL-STD-794, Procedures for Packaging and Packing of Parts and Equipment. MIL-STD-2073-1, DoD Materiel Procedures for Development and Application of Packaging Re-

quirements, and other specifications, and PC&H instructions prepared for Government-owned plant equipment.

C. Procedures

1. Plant Level Approval of Contractor Developed Data. When specifically and contractually delegated, PSs will review and approve contractor developed data, drawings and specifications. Where data is required but approval authority is not delegated to DCAS, assistance will be rendered upon request of contractors in the development of such data–in terms of content and format. The fundamental objectives in reviewing and approving packaging data are to assure standardization of packaging methods and detailed designs which will provide the necessary protection effectively, economically and in consonance with current DoD packaging policies. Requirements approved must be explicit and concise. Where possible, the DLA Form 528, Packaging Requirements Worksheet, will be utilized to approve, clarify or disseminate data. PSs will coordinate any actions required to finalize packaging design or obtain necessary approval from procurement or packaging design control offices.

2. Preproduction Pilot Pack Approval. When preproduction pilot pack approval is assigned to DCAS, the PS will examine and approve preproduction packs in terms of component packaging materials and their application.

a. PSs will ascertain during initial review of the contract whether a preproduction pilot pack is specified. When a pilot pack is required, the PS will discuss the details of the pack with the contractor. It is imperative that such discussions be held prior to, or during the design phase. This will permit a thorough understanding by contractor personnel of applicable policies relating to the proposed pack and, thus, help to prevent delays in ultimate delivery.

b. When the PPP materials (or their application) do not conform to the specific requirements of the specifications referenced in the contract, or the commodity within the pilot pack is damaged or does not pass a functional test after rough handling tests have been witnessed, the contractor will make the necessary revisions to the preservation, packaging, cushioning, blocking, and packing mediums, obtain PS's approval, and subject another pilot pack to the required tests.

c. When the PPP materials and their application conform to the specific requirements of the contract, and the commodity within the pilot pack is not damaged and functions normally (after rough handling tests have been witnessed), the contractor will prepare written test data. Such data shall detail each item of PPP, its application, dimensions, and specification compliance, and the gross and tare weight of the pilot pack. Each test data sheet will contain the signatures of all Government and contractor personnel witnessing the tests.

3. Plant Clearance Packaging Support. As required by paragraph 4-307 above, PSs will develop and/or approve specific PC&H instructions for the shipment and storage of IPE. Detailed instructions, drawings, and/or skid layout diagrams are essential for the proper support of this function.

4. Other. When required or authorized by the procuring activity, Packaging and Materials Handling elements will review and approve specially designed containers, special cushioning mediums, blocking and bracing designs and vehicle loading plans. Unless otherwise specific in the contract, detailed packaging requirements will be coded in accordance with MIL-STD-726/MIL-STD-2073-1. Coded packaging data, narrative descriptions, and packaging data, and packaging drawings will be approved by application of the PSs signature. Such approvals may require visiting the manufacturer's facility to review the characteristics of items defined on drawings. Physical examination of items to determine preparation for delivery requirements is essential to assure completeness and accuracy of packaging requirements and materials.

PART 4—IMPLEMENTATION MEDIA

4-400 PURPOSE. The purpose of this part is to provide guidance in the effective utilization of administrative and documentary tools available to DCAS PSs.

4-401 GENERAL. Effective performance of program functions discussed in paragraph 4-302 thru 4-310 above and the achievement of goals and objectives inherent in the DCAS Packaging Management program are contingent, in large degree, upon the availability and proper use of administrative and documentary tools.

4-402 DOCUMENTATION. Knowledge of the provisions of specific packaging instructions and specifications is vital to the effective performance of the DCAS packaging responsibilities defined in paragraphs 4-302 thru 4-310 above. In addition to this manual (including the FAR provisions, regulations, and manuals cited herein), DCAS PSs must be aware of new procedures, processes and requirements introduced into DoD procurement programs.

A. Specifications and Standards

1. Military and Federal specifications/standards (both material and process) which are frequently cited in procurement instruments must be physically accessible or available on microfilm in the DCASR library or be ordered and retained on file in regional packaging offices. As a minimum,

each DCASR will place itself on automatic distribution for the following Federal Supply Class Specifications: CFSC 3540, FSC 3990, FSC 8105, FSC 8110, FSC 8115, FSC 8135, and FSCDPACK. (A request to Naval Publications and Forms Center, 5801 Tabor Ave., Philadelphia, PA 19120-5099, will place the originator on automatic distribution.) As an initial step in ensuring access to a comprehensive packaging file, it is suggested that one copy of each specification listed in MIL-STD-726, section 2, Packaging Requirements code, be obtained.

2. DCASR PSs will be responsible for assuring that intraregional DCASMA PSs are kept abreast of the latest specifications, standards and customer packaging instructions needed.

3. Incoming specifications, standards, revisions, amendments, and change notices will be reviewed by the regional PS to assure awareness of specification availability and as a continuing exposure to changes in the state of the art.

4. Military packaging technical publications will be made readily available to DCASR/DCASMA PSs. As a minimum, this category will include the documents listed below which will be used for reference purposes and/or in the direct accomplishment of those tasks and functions listed in section IV, part 3.

a. DLAM 4145.2, Packaging of Materiel—Preservation, Vol. I, Packaging of Materiel, Vol. II, PACKING.

b. DLAM 4145.3, Packaging and Materials Handling—Preparing Hazardous Materials for Military Air Shipments.

c. DLAM 4145.4, Packaging Cost Estimating.

5. Customer specifications and instructions commonly cited as requirements in contracts shall be obtained from the proper publishing activity and shall be maintained on file by DCASMA and DCASR packaging elements. As a minimum, these documents include items a through e below; documents cited in items f and g below should be maintained on file as needed. Availability of the following documents is necessary for required contract review:

a. Defense Construction Supply Center, DCSC Packaging Sheets os. C004, C005, C006 and C007.

b. Defense Industrial Supply Center, Preparation for Delivery Instructions, DISC Form 644.

c. Defense Electronics Supply Center, DESCM 4100.1, Preservation, Packaging, and Packing.

d. Defense General Supply Center, Form P-101.

e. Navy Ships Parts' Control Center, 4 NSPCC-P-4030/13, Preparation for Delivery.

f. U.S. Army Armament Materiel Readiness Command, Ammunition Storage and Outloading Drawings.

g. U.S. Naval Weapons Laboratory, Naval Weapons Requirements loading Drawings.

B. Commercial Publications. Commercial publications relating to packaging are a beneficial medium for continuing self-training and keeping abreast of latest trends and developments. These periodicals may serve as a major aid in recommending innovative solutions to packaging problems encountered on specific contracts. Periodicals such as "Packaging" shall be subscribed to by regional packaging offices (where resources permit). Many of these periodicals are offered free of charge as a professional courtesy. Distribution of such publications, once received, should extend to all DCAS PSs in the region.

4-403 ADP SYSTEMS APPLICATIONS (Reserved)

4-404 FORMS AND FORMATS. Effective use of standardized and uniform forms and formats developed specifically for DCAS packaging support purposes is an ongoing requirement of DCAS Packaging Materials Handling elements. Personnel will be alert to the possibilities for development of DCAS-wide form letters and forms. Suggested forms and/or consolidation of current forms will be forwarded to HQ DLA, ATTN: DLA-AT, along with sufficiently detailed narratives to identify their purpose and the benefits expected to result from their implementation. Five such forms, developed specifically for the DCAS Packaging Management Program, are currently in use, namely, DLA Form 528, DD Form 2025, DLA Form 1095, DLA Form 1257, and DLA Form 1258. It is anticipated that additional agency-wide forms will be forthcoming as consolidation of similar regional forms are effected.

A. DLA Form 528. This form, properly prepared, will be utilized to approve, clarify and/or disseminate packaging data. As a worksheet, it may be used to explain requirements to contractor or Government personnel.

B. DD Form 2025. Section IV, part 2 of this manual, defines advocacy of change as the essential ingredient of the DCAS Packaging program. This form has been developed to supply a uniform medium for the transmission of such recommendations to procuring activities. (It may also be used to indicate the PCO's acceptance or rejection of the suggestion.) It is essential that all salient factors covered by the suggestion be explained in sufficient detail to permit a knowledgeable judgment to be made at the procuring activity. Consequent-

ly, additional pages should be attached where necessary.

C. DLA Form 1095. This form, as discussed in paragraph 4-305 above, is a two-page uniform record of information concerning a contractor's (or prospective contrtactor's) capability and facilities to perform specified military packaging.

1. Form entries include information obtained during discussions with contractor personnel as well as general observations made by the PS. Portions of the form can be prepared prior to visiting the facility (e.g., contractor's name, address, contract numbers, and items manufactured). It is essential that contractor time not be expended in answering inquiries which are already known, such as name and address, or are obvious to the PS (e.g., good housekeeping in the packaging areas). In no instance will the contractor be requested to prepare the DLA Form 1095.

2. Narrative comments should be included in answering each item on the DLA Form 1095 if space is provided. The greater the amount of detail included in original preparation, the fewer the number of subsequent inquiries which will be required of the contractor.

D. DLA Form 1257. This form serves multiple purposes. It is utilized by the PS to convert general requirements into a detailed prescription and to develop an estimate or actual cost for packaging a specific item, and may be used by the contractor to support invoices.

E. DLA Form 1258. This form is utilized to document both desk and onsite PASs. There are spaces provided for the entry of solicitation requirements, award recommendations and the justification for award recommendations. The form provides a uniform format for PS input to the PASM as outlined in paragraph 4-302 above.

F. Forms Management. Unless otherwise specified in a contract, Government numbered forms, labels, and tags, when required, will be furnished by the Government. In addition, DCAS will furnish all Government forms, labels and tags which are specifically cited in MIL-STD-129, Military Standard Marking for Shipment and Storage. In support of this policy, PS will:

1. Assist the DCASR PRO in determining proper stock levels of forms, labels, and tags used in or on shipping containers.

2. Assist PROs in expediting special form and label requirements, receipt, and delivery to contractors.

3. Inform contractors, sufficiently in advance of shipment date, that special Government nonstandard forms, labels, and tags required by contract must be ordered from the procuring agency, unless otherwise directed in the contract.

SUBJECT

APPENDICES

PARAGRAPH		PAGE
A	A Letter of Agreement (Sample)	A-1
B	Packing, Crating, and Handling Cost Matrix	B-1
C	Prepaid Transportation Authorization Memorandum (Sample)	C-1
D	Transportation Officer's Approval Alert (Sample)	D-1
E	Certificate in Lieu of Other Entry Documentation Covering Articles of Returned U.S. Products for use by the DoD	E-1
F	DoDAAC Address Listing of Overseas CCPs	F-1

APPENDIX A

LETTER OF AGREEMENT (SAMPLE)

Dear Mr./Ms. (Traffic Management Analyst) of this office visited your Company and discussed the DLA Contractor Traffic Management Delegation Program with your personnel. As a result of your interest, a review of your traffic management capability was conducted. Our evaluation indicates that your Company possesses the professional competence to participate in this program. Consequently, this office proposes to delegate the traffic management functions checked below:

a. Preparation and issuance of Government Bills of Lading.

b. Preparation and issuance of Government Travel Requests.

c. Direct consultation with the Military Traffic Management Command, (Eastern/Western) Area, for the purpose of obtaining domestic release unit rates and routes.

Prior to delgating this authority, however, we require that you agree to the following conditions:

a. Traffic management functions delegated will be performed in conformance with the procedures specified in the enclosed DLAH 8300.2, DCAS Traffic Management Handbook.

b. Freight tonnage will be equally distributed among authorized commercial carriers producing the lowest overall cost consistent with Government priority requirements, and carriers' ability to provide safe adequate transportation.

c. Shipments will be consolidated to the maximum extent possible consistent with contractual priority and delivery requirements.

d. Contractors may change costs associated with the program in accordance with FAR 31.203. However, the expectation is that the contractor, as a result of accepting Procedure A delegation, will not incur additional costs over and above normal costs associated with his existing traffic management capability at the time of delegation.

e. The Government may take action to recover excess transportation charges incurred as a result of poor traffic management practices on the part of your Company.

f. Adequate measures for the protection and security of Government Bills of Lading will be taken in accordance with DLAH 8300.2.

g. DCAS will not process claims against carriers when overcharges are billed under the Prepaid Transportation Program. Reimbursement will be made based on the correct rate under the

applicable tender/tariff. Should reimbursement erroneously include a cost higher than the correct transportation charge, your company will be responsible for returning the excess cost to DCAS.

It should be noted that there is not continuing obligation on the part of the government to continue this program. This delegation of traffic management authority may be revoked if adequate performance standards are not maintained or if such revocation appears to be in the best interest of the Government. You, of course, may withdraw from the program at any time by notifying the cognizant Government Transportation Officer, Mr./Ms. , at Telephone No.)

If the foregoing conditions are acceptable, please have an authorized officer of your Company sign the block below, and return to this office. Upon receipt of your acceptance, a supply of Government Bills of Lading and instructional material will be forwarded to Mr./Ms. , Traffic Manager.

Sincerely,

Chief, Transportation and
Packaging Division

Encl

AGREEMENT TO CONDITIONS AND ACCEPTANCE OF DELEGATION: (Signature)
TYPED NAME
TITLE
COMPANY
DATE

APPENDIX B

PACKING, CRATING, AND HANDLING COST MATRIX

	CLASS I 2-4 Ton per ton		CLASS II 4-8 Ton per ton		CLASS III 8-16 Ton per ton	
	M/Hrs	Mat. $	M/Hrs	Mat. $	M/Hrs	Mat. $
1. Flush	1.68	5.00	1.33	2.91	1.26	3.12
2. Disconnect	.80	—	.53	—	.33	—
3. Clean External Surfaces	1.33	1.33	1.00	1.08	.75	.92
4. Disassemble—Clean—Reassemble	11.20	2.50	8.80	1.88	5.20	1.56
5. Preserve—Central Storage Level A	1.68	5.00	1.20	8.75	.80	7.08
6. Preserve—Standby Level C	1.33	2.50	.80	1.46	.53	.94
7. Time and Align	1.06	—	.80	—	.66	—
8. Analytical Inspection (Encl #7)	2.13	—	1.60	—	1.33	—
9. Move to Skid	.80	3.33	.66	2.91	.80	2.19
10. Skid & Box (Wood)	4.53	20.41	3.86	20.84	2.86	19.79
11. Skid & Box (Alum, GFP)	2.66	4.16	2.00	2.71	1.33	1.66
12. Move to Dock	.53	2.50	.53	1.88	.40	1.35
13. Load and Brace—Rail	2.13	7.50	1.73	6.25	1.20	5.96
14. Load and Brace—Truck	.53	5.00	.53	3.13	.266	1.88
15. Load and Brace—Barge	1.06	4.16	.66	2.71	.46	1.78
16. Unload to Dock—Rail	1.06	4.16	.66	2.71	.46	1.78
17. Unload to Dock—Truck	.53	2.91	.40	2.09	.266	1.35
18. Unload to Dock—Barge	1.06	4.16	.80	2.91	.53	1.88
19. Remove from Alum. Skids	1.33	2.50	.93	1.66	.66	1.04
20. Move to Storage	.80	3.33	.66	2.91	.80	2.19
21. Misc. Touch-up and Box Repair	1.06	2.50	.66	1.88	.40	1.25
22. Shroud	.80	2.50	.53	2.29	.40	1.88
23. Inspection	.53	—	.53	—	.40	—
24. Records & Office	1.06	1.66	.53	.84	.266	.416
25. Incidentals	.306	—	.133	—	.066	—

APPENDIX C

SAMPLE Inter-Office Memorandum

Date:

SUBJECT: Prepaid Transportation Authorization

FROM: (Transportation Office Symbol)

TO: (Finance Office Symbol)

1. References: FAR 42.1403-2 and 42.1404

2. In accordance with the references above, the following contractor is authorized to prepay freight or small parcel shipments on a reimbursable basis.

a. Contractor:

b. Contract number:

c. Shipment number (if authority applies to a specific shipment)

d. Blanket authority: See letter of authorization attached.

1 Encl

SIGNATURE BLOCK

Copy Furnished

QAR

APPENDIX D

TRANSPORTATION OFFICER'S APPROVAL ALERT

REPORT NUMBER BGBA 26 27 APR 77 CAO CODE 3
N00140 76 CA4 26 33 EXPEDITE DISCOUNT

*GENERAL ELECTRIC CO HEAVY

1. SUBJECT CONTRACT CONTAINS A CLAUSE PERTAINING TO

[] GUARANTEED MAXIMUM SHIPPING WEIGHT (FAR 14.201-1)

[] FOB ORIGIN - MINIMUM SIZE SHIPMENT (FAR 52.247-61) CARLOAD AND TRUCKLOAD SHIPMENT (FAR 47.305-5)

2. THE APPLICABLE SHIPMENT NBRS, GBL NBRS, MODE OF SHIPMENT ARE

FRP00001C	9	FRP00002C	9	FRP00003C	G
FRP00004C	G	FRP00005C	B	FRP00006C	K
FRP00007C	S	FRP0000RC	5		

1 PIIN (CONTRACT NUMBER)

2 SPIIN (CALL/ORDER)

3 CAO ORG CODE

4 EXPEDITE DISCOUNT INDICATOR

5 CONTRACTOR NAME

6 CONTRACT CLAUSES FOR TRANSPORTATION

7 SHIPMENT NUMBER

8 GOVERNMENT BILL OF LADING NUMBER (GBL)

9 MODE OF SHIPMENT CODE

10 TRANSPORTATION OFFICER'S REMARKS

11 TRANSPORTATION OFFICER'S SIGNATURE AND DATE

[] CONTRACTOR DID/DID NOT EXCEED GUARANTEED MAXIMUM SHIPPING WEIGHT

[] CONTRACTOR DID/DID NOT SHIP IN ACCORDANCE FOB-ORIGIN-MINIMUM SIZE SHIPMENT ON CL-TL SHIPMENTS

[] OTHER

[] MATTER HAS BEEN REFERRED TO ACO/PCO FOR ADDITIONAL INFORMATION

[] CONTRACTOR IS LIABLE FOR $

SIGNATURE DATE

APPENDIX E

OFFICIAL LETTERHEAD

19

CERTIFICATE IN LIEU OF OTHER ENTRY DOCUMENTATION
COVERING ARTICLES OF RETURNED US PRODUCTS FOR USE
BY THE DEPARTMENT OF DEFENSE

I HEREBY CERTIFY THAT:

1. The following equipment imported in the at the port of on 19 , consists of returned products of the United States which currently belong to and are for the further use of the US Department of Defense.

No. of Containers	Bill of Lading No. (Commercial SS/)	General Descriptions of Articles

2. The shipment does not contain military scrap.

3 This shipment is entitled to entry under item 800.00 of the Tariff Schedule of the United States free of duty.

4. I am a military installation transportation officer having knowledge of the facts involved in this certificate.

or

I am an officer, duly authorized by the Department of Defense to execute this certificate.

(Signature)

(Name/grade/branch of service)

(Title)

APPENDIX F

Listed below are the overseas activities by DoDAAC which are served by the East Coast CCP (Robins AFB) and the West Coast CCP (McClellan AFB) respectively.

East Coast CCP
(Robins AFB)

The destinations served by the East Coast CCP are listed by country:

A. ENGLAND

1. *RAF ALCONBURY*

FB/FE/FF/FG/FJ/FK/FL5643
FB/FE5554, 5635
FB4586
FM5570
FN5511
HM0010
HX2UK1
SG4010

2. *RAF BENTWATERS*

FB/FF/FE/FL/FM/FJ/FS/FK/5644
FY1317, 1646, 9372
HE1283
HX2UK2

3. *RAF CHICKSANDS*

FB/FE/FF/FL/FT5650
FY7224, 8060
HX2UK3

4. *RAF FAIRFORD*

FB/FE/FF/FH/FJ/FK/FL/FP/FS/
FT5560
FY4129
JM0580, 0666, 5353, 7404
HE1652, 1622
HX2UK5

5. *RAF GREENHAM COMMON*

FB/FE/FK/FT5533
FB/FE/FK/5543
EY9312
HE1285
HX2UK7

6. *RAF KEMBLE*

FB/FE/FK/FP/FY2180
FD2100
EZ7073
FD/FE/FJ2179

7. *RAF LAKENHEATH*

FB/FE/FF/FL/FM/FT/FS5587
FB5519
FB5556
FB/FE/FK5558
FB/FK/FP5598
FB/FE/FK5599
FS/FT5627
FK/FP5596
FK5502
FK5521
FM5684
FS5228
FT5628
FY3560, 8441
HE1601, 1625, 1663, 7654
HX2UK4
JM5167

8. *RAF MILDENHALL*

EZ2417, 7031
EY2403, 2416, 2417, 7073
FB/FE/FF/FK/FL5518
FB/4406,4692,5665,5672, 7034
FM5684
FP5672
FY1337,3441,8307,9106,9705

9. *RAF UPPER HEYFORD*

FB/FE/FL5537
HX2UK9, EZ7073

B. GERMANY:

1. *BITBURG AB*

FB/FE/FF/FJ/FK/FL/FM/FP/FY5606
HE2659, 1280,
2601, 2630, 2643
EZ8959
FY8885
HM0009
HXGEBD
HXGEBX
HX2G01
SG4070, 4090
(See Note 4)[1]

2. *HAHN AB*

FB/FE/FF/FK/FL/FM/FS/FT5620
FB/FX7035
FB/FE5675
FY3532
HE2649, 2604

[1]NOTE 4: Hahn AB multistop containers, if used, should be loaded in Bitburg-Spangdahlem-Hahn sequence.

HX2605
HXGEHD
(See Note 4)[2]

3. *HESS, OLDENDORF AS*

FB/FE/FP5611
FF/FH/FS/FT5601
(See Note 2)[3]

4. *RAMSTEIN AB*

FB/FE/FF/FL/FM/FT5612
FB/FE/FF/FH/FL5622
FX3119, 3101, 3115, 3118,
1622, 2129
HE3625, 3651, 3605
FT5530, 5524
FB4401
FN3106
FL5510
FY5501, 9087
HX2610, 2910

5. *SPANGDAHLEM AB*

FB/FE/FF/FK/FL/FM/FT5621
FY5928
HX2640
HXGELD
HXGESL
HXGESA
(See Note 4)[4]

6. *RHEIN MAIN AB*

FB/FE/FF/FK/FL/FM/FJ/FP/
FT/FS4420
FB/FE4483
FY/EZ3446
FY7013, 7582, 8237, 8339
FN3127, 4498
FX4421, 5507
M0623, 5168, 0642, 5246,
5271, 6594
FB4403
FM0681
HE2660, 2625
HX2635
69K400-FAA
69K409-FAA

7. *SEMBACH AB*

FB/FE/FF/FK/FL5604
FB5515
FY7673
EZ7579
HX2615
(See Note 2)[5]

8. *WIESBADEN MIL POST/AB*

FY/FB/FE/FF/FH/FL7036
FY9617,8518,8698,8163,8309,
1321, 3556
JM0747,1543,0579,0578,7477,
7413,7436,7437,0768,0575,
0772, 0758,7127
SG4000,4001,4002,4003,4050
FB/FE5602
FX3101, 3115
FP5600
FY1396
HC1025
HE2625
HX2G25
HM0009
HE3625

9. *ZWEIBRUCKEN AB*

FB/FE/FF/FL/FM/FK/FS/FY/
FX/HM/JM/HE/FD/FN5529
GM5638
EZ9145
HX2630

C. SPAIN:

1. *TORREJON AB*

DB/FE/FF/FL/FT/FM/FH/FJ/FP/
FK5573
HE5618, 5631, 5617, 1281, 5000
EZ/EY9357
FS/FT5662
FY3431, 7156, 1824, 4183, 8092,
9862, 7180
FB4409
FP5585
F77600
EP1000
F77600
EP1000
JM0619, 596,719
HXJSAD, HXJSAA, HX85AW, HXJSAE,
HXJSTE, HX2SP1
JM6163
SG4230

[2]NOTE 4: Hahn AB multistop containers, if used, should be loaded in Bitburg-Spangdahlem-Hahn sequence.

[3]NOTE 2: Semback AB is serviced via multistop through Hessisch Oldendorf AS GE; therefore, containers should be loaded in Hessisch Oldendorf-Sembach sequence.

[4]NOTE 4: Hahn AB multistop containers, if used, should be loaded in Bitburg-Spangdahlem-Hahn sequence.

[5]NOTE 2: Semback AB is serviced via multistop through Hessisch Oldendorf AS GE; therefore, containers should be loaded in Hessisch Oldendorf-Sembach sequence.

2. *ZARAGOZA AB*

FB/FE/FF/FK/FL/FP/FT5571
FY7110, 7842, 8522, 9506
HE5619, 5699
HX2SP5, HXJSZ1, HXJSBK
JM0645
Z40110

3. *MORON AB*

FB/FE/FK/FP5575

D. ITALY:

1. *AVIANO AB*

FB/FE/FF/FK/FL5822
FY1783, 1785, 1787, 1792, 1797,
1798, 1799, 1800, 5727, 5761,
5791, 8038, 8329, 8579, 8953,
9071
FB/FE/5512
FK/FM5538
EY9533
HX21T1

2. *COMISO AB*

FB/FE/FK5541

3. *SAN VITO*

FB/FE/FF/FL/FM/FT5517
FY1138, 1324, 1782, 1786,
1325, 1783, 1784, 8212
EY/EZ9569
EZ9961
HX21T5

4. *CAMP DARBY*

FK/FM5686
FY9136

5. *DECIMOMANNU AB*

FY5727

E. NETHERLANDS:

1. *CAMP NEW AMSTERDAM*

FB/FE/FF/FL/FJ/FK/FM/FP/FS/
FT5688
FY7697, 9371, 5705, 5760
HE1627, 1671, 1673
HX1ND1
HXGNAD/E/V
EZ1450, 3488, 3492, 8404, 8894,
9463
FE/FB5691
EY1475
FB5561
FK5563
(See Note 3)[6]

2. *WOENSDRECHT AB*

FB/FE/FK5678
(See Note 3)[7]

F. GREECE/CRETE:

1. *HELLENIKON AB, GREECE*

FB/FE/FF/FL/FS/FT5687
FB5586, 5565, 5595, 5692,
FY1421, 5748, 7319, 8325,
8345, 5712, 5715, 5719,
5723, 9090, 9142
FM5681
FK5522
HE5642
HX2GR1
EY/EZ9145, 1943
FB7029

2. *IRAKLION AB, CRETE*

FB/FE/FF/FL5699
FY1331, 7302, 1003, 5703,
1973
HE5662, 9422
HX2CR1

G. TURKEY:

1. *ANKARA*

FB/FE/FF/FL/FH/FP/FS/FT5694
FB/FE/FK/FP5583
FB5693, 5582
FY1741,1742,1743,4182, 7452,
7453, 7803, 8479, 1786, 1781
5704, 5725, 9091, 9109, 5583
FH1037
HX2TK6
HE5601
H91242
AM1390
JM0741
HXJTA0
SG4200
HIATUI

2. *PIRINCLIK AS*

[6]NOTE 3: Cargo for the above SRANS should be consolidated in full container loads and consigned directly to Woensdrecht AB. If multistop service is used, load in Woensdrecht-CNA sequence.

[7]NOTE 3: Cargo for the above SRANS should be consolidated in full container loads and consigned directly to Woensdrecht AB. If multistop service is used, load in Woensdrecht-CNA sequence.

FB/FE/FK/FP5552
FB7219
FY1753
EY7194
(See Note 1)[8]

3. *IZMUR*

FB/FE/FF/FL/FH/FK/FP/FS/
FT5531
FB/FE/FF/FL/FP/FK5584
FY7106, 1748, 1761, 9442,
1749, 1751, 5726, 7453
HX2TK2
HE5611

4. *INCIRLIK*

FB/FE/FF/FL/FH/FJ/FK/FP/
FS/FT5685
FB/FE/FF/FL/FK/FP5581
FB4402, 7219
FK5547, 5523
FM/FY5655
EY/EZ4157
HX2TK5
FY1752, 9205, 5762, 5763,
8247, 8779, 9098, 1754,
1756 FB/FE/FK/FL/FP5696
(See Note 1)[9]

H. BELGIUM:

1. *FLORENNES AB*

FB/FE/FF/FK/FP/FS/FT5630
FY4000
HE1628

West Coast CCP
(McClellan AFB)

The destinations served by the West Coast CCP are listed by country:

A. HAWAII

FB/FE/FF/FS/FK/FL/FM/FT/FP5260
FB/FE/FS/FK/FP6530
EY/EZ1779, 4165, 7201, 7942, 9509, 9889, 8641
FY1160, 1315, 1979, 1980, 2502, 3558, 7913
FB4405
FL5239, 5296
FN3103
FX3118
EP6000
EZ8068
HX2PH1
HX4PH1

B. JAPAN (includes OKINAWA)

FB/FE/FF/FL/FR/FT5205
FB/FE/FF/FK/FL/FT5209
FB/FE/FF/FS/FK/FL/FM/FT5270
FY1000, 1340, 1448, 1520, 1577, 1833, 1834, 2113, 3489, 3490, 5794, 7104, 7810, 7909, 8074, 8241, 8565, 8901, 9583, 9865, 9881
HE6001, 6407, 6422, 6446, 6500, 6501, 6503, 6541, 6544, 6545, 6549, 6651, 6602, 6606, 6648, 6652, 7001, 7401, 7443, 7445, 7602, 7622, 7623, 7642, 7646
FX4439, 4559, 4643
FB4408, 4411, 5222, 7039
FN3108
FK5207
FM5202
HX1260
HXXP01
HX2PJ4

C. PHILIPPINES

FB/FE/FF/FJ/FK/FP/FT5250
FY1316, 1385, 3486, 3499, 4184
7069, 8257, 9663, 9752, 9846, 9876
HE8001, 8501, 8541, 8543, 8546, 8602
8621, 8622, 8642, 8645, 8647
FB4412
EY/EZ4017
FN3113
FB/FM5251
HX2PP1

D. GUAM

FB/FE/FF/FS/FK/FL/FM/FT4624
FY3494, 8577, 9455, 9963, 9987
FN3111
FX4440
EY/EZ7558
HX2PG1
FB4415

E. KOREA

FB/FE/FF/FK/FP5221
FB/FE/FF/FK/FL5231
FB/FE/FF/FJ/FK/FP5255
FB/FE/FF/FK/FL5261
FB/FE/FF/FK/FL/FJ/FP/FT5284
FB/FE/FF/FJ/FK/FL/FM/FP/FT5294
FY1325, 1426, 1722, 1836, 1837, 1838, 1856, 2501, 3487, 4198, 5789, 5930,

[8]NOTE 1: Pirinclik AS is serviced either directly or by multistop through Incirlik AS; therefore, multistop containers, if used, should be loaded in Incirlik-Pirinclik sequence.

[9]NOTE 1: Pirinclik AS is serviced either directly or by multistop through Incirlik AS; therefore, multistop containers, if used, should be loaded in Incirlik-Pirinclik sequence.

7265, 7269, 7350, 7351, 7352, 7507,
8889, 9545, 9769, 9848, 9884
HE6002, 6404, 6405, 6408, 6447, 6448,
6542, 6653
ES/EY/EZ7510
EY/EZ8668, 9093
FB/FE5213, 5288
FB5230, 5232, 5248
FK5295
FN3112
FX7031
HX2PK3
HX2PK1

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